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№ 40 OCTOBER 1992

NEW TIMES

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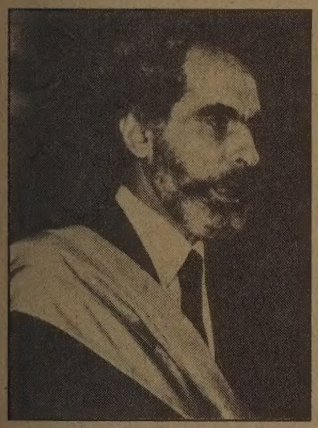

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Cover photo by Evgeny Stetsko

Compassion

I was deeply moved by your article about Erich Honecker. If I were a lawyer of the former East German leader I would deliver such a speech in his defence.

Your Honour, I would say, you have in custody an old an sick man who remains true to his views. A man, not a monstrous villain, as some are trying to depict him. In his youth Honecker learned the trade of a roofer. Thanks to his job, I believe, he became a Communist romantic. He selflessly worked on the construction of a huge iron and steel plant in Magnitogorsk in the USSR because he did not want to build national-socialism in Nazi Germany. For this "crime" Erich Honecker was thrown into prison and would have probably been shot if he had not escaped through a hole in the roof in the spring of 1945. Gaining freedom "through the roof," he naturally dreamed of a new, free Germany. No wonder that Erich the roofer rose to the pinnacle of power in the German Democratic Republic. It is surprising that the East German state did not have a good roof, for otherwise it would not have rotten so quickly. It can be said, of course, that Honecker the roofer is also to blame for the "holes" in the state. But we all know that he was allowed to govern only in the way desired by leaders of the Soviet Union, where, as is known, the roof was leaky too.

Anatoly Karpus,
physician
Ryazan

THE WAY I SEE IT

Drawing by Victor Bogorad

No compassion

"Erich Honecker's last hope" by Yelena Gorovaya is a truly moving piece of writing in No. 35/92. I was touched so deeply that I wept all night. The author evidently wanted to move the reader to tears over the fate of the former Communist puppet. A poor soul indeed! My heart laments for this old man, who wears a simple grey hat and his only dark blue suit, and his wife Margot, with only a skirt and jacket to wear.

I wept all night and came to a conclusion in the morning that I won't subscribe to the magazine which has sorrow for such old men. I was going to subscribe to *New Times* in spite of the high cost, but I won't do that now. Thank you for helping me to save money.

Sharif Khusainov
Kazan

Why the USSR broke up

Where is the source of that strength which broke up the Soviet Union? Any non-Russian citizen of the USSR, no matter where he lived, was considered a national minority. It is a scientific term, so to speak. In everyday life Russians gave them various insulting names. They were considered national minorities not only in Russia, but also in their own republics. Many have forgotten their language and have lost their national pride. They have also lost their identity. They will never join the union which some national patriots are now trying to build.

Why can't we Russians live in a civilized way, having such a vast territory and great natural resources? (I say Russians because outside the Commonwealth of Independent States all of us are considered Russians.) For the solution of this riddle I propose that at least one island of the Kuril range should immediately be turned over to Japan. Even if the poorest Japanese settle on it I am sure that in five or six years the stony island polluted by heavy oils will become a cosy place.

Lukman Zakirov
Kazan

An about-face

During elections to the Supreme Soviet of the Russian Federation I voted for Prof. Isakov because he boldly defended Kudrin, first a judge and then a truck loader, the first man in the Urals who withdrew from the Communist Party of his own free will. Besides, the professor passionately tried to prove that Yeltsin's actions were the right ones. In short, Isakov's election to the Russian parliament was an easy win.

Unexpectedly, however, he became one of the six die-hard opponents to Yeltsin in the Supreme Soviet. If I had known he would make such an about-face I would never have voted for him. I think many other people also wouldn't have voted for Isakov. Recently quite a number of politicians have completely changed their views.

Lev Chumichev,
pensioner, disabled
Sverdlovsk Region

Poor Russia

A short while ago I rode through our district by bus. The landscape along the Teza River is beautiful. But I returned home in a sad mood. According to my estimates, seven villages have disappeared in only the territory under the administration of the former Novsky rural council. No one knows how many villages have ceased to exist in the district as a whole, in the Ivanovo Region and Russia in general; perhaps millions. Only yesterday there was life in these villages – cows mooed, cocks crowed and bees hummed. There was a smell of honey, flowers and hay. Today these villages are deserted. Everything has fallen into ruin. Who was it who decided so easily to wipe out the villages which had "little prospect" for development? No good will come about unless rural estates are revived.

P.Barabanov,
pensioner
Ivanovo Region

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The ruble dives as the number of candidates to become capitalists jumps

Under communist rule major events in the political life of the Soviet Union were marked by "labour gifts." For instance, sables of a wounderful colouring would be bred in Siberia. In one day iron and steel plants would produce as much metal as they usually produced within a week. New homes would be made available ahead of schedule. By the autumn session of the Russian parliament, which opened on September 22, a "labour gift" was perhaps made only by the Moscow Interbank Currency Exchange. On that day the exchange value of the ruble against the dollar fell by 35 points, plummeting to the record depth – 241 rubles for one dollar. And this record was followed by others.

If we take the experience of "normal" countries as the starting point for argument, it may seem that the government's policy of financial stabilization has simply failed either because it was drawn up incorrectly or erroneously put into effect. But the "normal" experience is not a significant criterion for studying Russian circumstances. Yegor Gaidar's programme was assessed as quite realistic, so realistic that the experts of international financial organizations even recommended credits for Russia. True, the Russian critics of the programme were of a different opinion. They said it did not accord with local realities. But, if we recall Soviet experience, experimentors, backed by strong government power, suceeded in carrying out much bolder innovations. The numerous reorganizations and reforms of industry and agriculture destroyed the usual way of life of millions of people.

Experimentors from the Gaidar team suffered a defeat because they had no support from the group which holds state power and is personified by President Yeltsin. While the Gaidar-led technocrats looked for a scientific solution to economic problems this group – formed from among former party bureaucrats and radical intellectuals involved in politics – looked for a sector on which presidential power could rest. The result of this search became clear early this summer, when absolutely alien elements – representatives of the managerial staff of large state-owned enterprises linked primarily with the military-industrial complex – had been introduced into the Gaidar cabinet. This symbiosis proved fatal for the reform not because of a mutual dislike between representatives of socialist practice and capitalist science. The matter is that the disappearance or at least the weakening of the positions of the state managers could be the main result of the Gaidar reforms, so they joined the battle to uphold their positions.

In the eyes of the authorities the managers of state-owned enterprises have far more advantages than can be discerned on the side of the Gaidar team. These people can prove useful already today, whereas the reform promises fruit only tomorrow. They promise social stability, whereas Gaidar's radicalism may lead to a social explosion. Lastly, they control the working people and keep up the smouldering fire of production which the experimentors are blowing out. On the whole, they are more familiar and understandable to the same Yeltsin, who made his career in the midst of such people.

State managers, just as the military, are a good shield against attacks by the opposition. It is easier to criticize a cosmopolitan professor than a veteran of the Afghan war or director of a Ural plant, because the latter are part of the socialist tradition, the people of whom the nation can be proud. This is perhaps another reason why Yeltsin chose them.

Thus, the question of who will be the first capitalists in Russia has been decided. To discredit the Gaidar team, candidates to become capitalists from among state managers consciously broke down the mechanism of financial stabilization. At first, they secured a virtual remittance of the debts of the state sector and then credits for giant enterprises in heavy industry. This created a budget deficit of 650 billion rubles and set off a wave of hyperinflation.

The ruble has sunk not without interference on the part of the opponents of the Gaidar team. Its record fall is linked by experts with the deliberate policy of Central Bank Chairman Victor Gerashchenko. The latter has no intention of intervening financially to support the falling ruble until Yegor Gaidar accepts his plan of returning to a fixed exchange rate for the ruble against the dollar instead of the present floating rate. The Russian economy has again become a victim of Russian politics.

Vladimir Kulistikov

THIS WEEK

■ In his ultimatum Tajikistan's acting President set the deadline by which the illegal armed groups fighting in the Kurgan-Tyube area and some other regions of the republic had to cease fire. The term has expired, and those who violate the decree are facing severe punishment, even execution.

But this threat did not bring long-awaited peace to the much suffering land. The situation in the hot spots remains tense. It has even aggravated after Russian troops were moved into areas of military operations, where they came in conflict with local armed groups.

Hate and spite have taken root in Tajikistan. Human life is dirt cheap

The national guard, raised from among volunteers, began to operate in the republic jointly with police, national security and interior ministry units. The chief aim is to disengage the opposed illegal armed groups, and to prevent and avert fierce conflicts. The guard was formed with the active participation of the Defence of the Homeland front and is subordinate to the national reconciliation government. All the weapons held by the former opposition were turned over to the guard. This measure will possibly help to lessen tensions though it is unwise to hope for a quick result.

■ An on-going rally is being held in the central square of Nalchik, capital of the Kabardino-Balkarian autonomous republic in the North Caucasus. Mountaineers have captured armoured vehicles and weapons from Russian troops moved into the city.

The reason for the unrest is the arrest of Yuri (Mussa) Shanibov, president of the Confederation of Mountainous Peoples of the Caucasus. The Confederation, formed in November 1991 and joining 16 nationalities inhabiting the Caucasus, played a considerable part in the recent events in Abkhazia by forming volunteer groups and sending them to the area of conflict. Russia's administrative bodies assessed these actions as unlawful, and the Ministry of Justice of the Russian Federation called the Confederation leaders to account. A group of officials of the Prosecutors' Office and the Ministry of Security of Russia arrived in Nalchik and detained the Confederation president. The president's daughter, who ran out of the house, told those gathered about the arrest of her father.

Within several days the situation in the autonomous republic aggravated to such an extent that the authorities imposed a state of emergency for two months. True, soon they suspended their decision and promised to free Shanibov in the near future.

■ World Bank experts distributed in Washington a series of reports on the situation in the Russian economy. The officials of this reputable international financial organization optimistically assess, on the whole, the prospects for Russia's socio-economic development.

Though one of the reports notes that the inflation level will reach about 1,500 percent this year, in the opinion of experts, real incomes of the population have held rather firmly, at the level of 1987, and the employment level has fallen only one percent so far. American specialists believe that owing to these factors "the Russians are experiencing their difficulties with amazing patience."

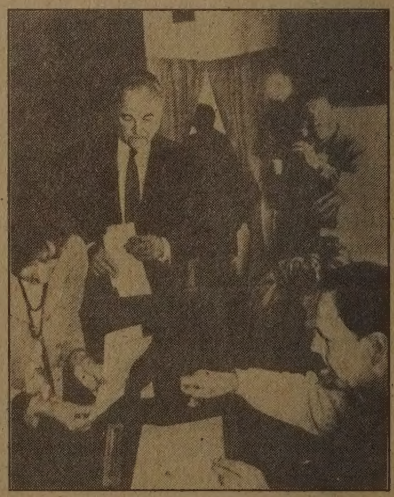
In the opinion of World Bank experts, the situation can worsen if Russia does not get annually 20 to 23 billion dollars in outside aid within the next few years. Such sums can be provided only by private business. However, World Bank experts note the continuing reluctance of Western companies to invest capital in Russia's economy, as well as in the economy of other republics of the former Union, because they are "wary of political instability in these countries."

■ The joint control commission in the Dniester republic made the statement that the peace-keeping forces had fulfilled their mission there. A normal situation has been established in the region, and conditions have been created for the stabilization of political life.

The members of parliament of the Dniester republic have formed a commission to conduct talks with Kishinev. However, the Moldavian members of parliament are on vacation now, and the discussion of the special status of Moldova's eastern areas has been postponed in this connection. The planned meeting between Moldavian President Snegur and the Dniester republic's leader Smirnov has been cancelled. News analysts believe that Snegur's position was influenced by actions of the Dniester left-bank authorities, who continue to form their own state bodies, in particular custom-houses and a frontier unit.

So far contacts between the right and left banks are maintained only in the economic sphere. The bank war has ended in mutual settlements between enterprises, giving start to the payment of mutual debts. The Kuchurgan thermal electric power station, which supplies electricity to Moldova, is already receiving money deductions from the right bank. The exchange of consumer goods has begun.

■ The results of presidential election in Estonia proved unexpected. It was believed that Arnold Ryuitel, Chairman of the republic's Supreme Soviet (parliament), would win an easy victory. But neither he nor his three rivals managed to poll more than half the votes, for the fact that only 67 percent of the electorate – slightly more than 400,000 people – took part in the voting. Analyzing



Estonian-style apartheid: only those of Estonian origin can vote and there are only Estonians to vote for

the reasons of Ryuitel's failure at the present stage of the contest, serious observers believe that, having supported the principle of the succession of citizenship, which disfranchised 90 percent of the Russian-speaking population, he lost numerous votes which could have proven decisive.

The presidential race is not over, however. At the first session of the State Assembly (parliament), to be convened soon, the deputies will elect a President from the two candidates who polled the largest number of votes – Arnold Ryuitel (42 percent) and Lennart Meri (28 percent), a writer, former minister for foreign affairs, and now Estonian ambassador to Finland.

■ At its recent meeting the Russian government decided to form a special commission to be headed by acting premier Yegor Gaidar. Its main task is to exercise control over the credit emission of the Central Bank of Russia. The idea of setting up such a commission was advanced by the State Property Committee of Russia, which firmly insisted on the need for "tough control over decisons taken by the Central Bank in the matter of financing other republics."

In the opinion of experts, the Russian government's "tough line" will take the form of the demand that the former republics of the USSR either introduce their own currency and withdraw from the ruble zone, or admit Moscow's right to determine the volume of crediting in the ruble zone.

■ The international charity programme New Names, which supports young talents, has been registered by UNESCO among the world's leading cultural organizations. A group of prominent Russian cultural figures flew to Paris for the official presentation of this programme which was founded by the Russian International Cultural Fund and the International Association for Peace Fund.

The group, led by Academician Dmitry Likhachev, includes Anatoly Karpov, chairman of the New Names trusteeship council, Moscow Conservatory rector Mikhail Ovchinnikov and, of course, young musicians aged 10 to 20, students of the Moscow Conservatory, the Central Music School, the Gnesinykh School, the music school of the St. Petersburg Conservatory, and their teachers.

The ceremony in Paris is a continuation of the international recognition of the New Names. The programme was already presented in the United Nations, the Vatican, the US Congress, and the Council of Ministers of the northern countries.

New Names was founded three years ago. The programme has on its record victories in international competitions and participation in prestigious festivals. Over 100 gifted young performers and artists from different countries of the Commonwealth have been awarded New Names' scholarships.

■ The US embassy in Moscow has at last received a diplomatic note fixing an agreement on the mutual lifting of all restrictions on the movement of Russian and American journalists and trade representatives on the territory of Russia and the United States. Moscow regards the agreement as one more important step towards full realization of the memorandum on "open land" signed at a summit meeting in June, and confirms its readiness to continue joint work with American partners in this direction.

■ The Czech bureau for control over the quality of imported food has made a "sensational discovery." In the bottles of Stolichnaya vodka imported from Russia it has allegedly detected the poisonous substance DBP usually used against insects which feed on crops. Without informing the Soyuzplodimport about its discovery the bureau made it known to the world, thereby trying to undermine the prestige of popular Russian vodka.

CARTOON OF THE WEEK

Drawing by Vladimir Mochalov

The attack against famous Stolichnaya vodka ended in a fiasco. Experts of the Plodimex-UK, the company which represents the interests of Soyuzplodimport in London, made a careful analysis of Stolichnaya sold in Britain and confirmed "the usual high quality of the product."

■ The Russian parliament continues to hotly debate the defence law, the draft of which was returned by the President for amendments. The main stumbling-block is the article which says that high military leaders, including the defence minister, shall be appointed only with the parliament's consent. Boris Yeltsin thinks only the President should have such a right. The President's amendment was turned down by a majority of votes. It is evident that in such a form the defence law will not be signed, and the President has the right to appeal to the Constitutional Court. The attempts of some deputies to soften the wording while leaving the substance of the controversial article unchanged failed.

As a result, the parliament decided to make the article concerned "inactive" before appropriate amendments are introduced into the Constitution. The deputies explain their insistence on retaining control over appointments and personnel changes in the armed forces leadership by the fact that the army should "serve not one person, but the motherland," and in their opinion, the parliament is the supreme representative of the motherland.

Quotation of the week

"Privatization is today the main idea which has captured the minds of people. Society is interested in it. It is no longer possible to persuade the people that the process of privatization should be stopped."

Yegor Gaidar,
acting premier of Russia

Nobody wanted to win

The row raisers from the Reform Coalition showed that they were ready to battle with the Speaker. However, they demonstrated certain prudence and did not bother to start a fight

The first few days of the current session have shown that stratification in parliament, that was to be observed already in spring, when the fighting for and against the President and his administration was at its height, has by now actually culminated in the creation of three basic blocs.

Thus, the oppositionist Russian Unity has integrated the Communists of Russia, the Agrarian Union, the Fatherland, The Civic Society and to some extent the Sovereignty and Equality. The two factions of Democratic Russia and The Radical Democrats have joined the Reform Coalition which backs the Gaidar government and the President. Finally, there is also a noticeable influential middle-of-the-way bloc which incorporates The Change for a New Policy, The Industrial Union, part of the Sovereignty and Equality and also, which has become obvious only of late, such Democratic Centre elements as the Non-Party Men, The Left Centre and the Free Russia. As is to be deduced, the split in the parliamentary Democratic Russia faction has heightened the influence exerted by the Civic Union under Volsky, Travkin and Rutskoi.

The indisputable leader here is The Change, which has consolidated positions as a "constructive opponent" of the Gaidar team but backing the President as the earnest of stability.

In this situation, which is very much to the Speaker's taste, a circumstance he very well realizes, the decisive fighting around Khasbulatov has been put off if not to the November-December Congress, then at least till October 8, as earlier parliament will not inject into the agenda the issue of getting the presidium to do better work.

A convenient Speaker

The opposition's attitude to Khasbulatov was reduced to simplified terms when one of the Russian Unity leaders, Nikolai Pavlov, told Your Correspondent the following:

"Khasbulatov is a through-and-through Yeltsinite. He is no opponent of the President at all. We are his opponents. Khasbulatov is the placeman of the 'democrats.' So let them handle him at discretion. However, if we are to take an objective view, and as a scientist and experimenter in man and animal physiology that is what I try to do, we shall see that the entire 'offensive' against him is nothing more than a diversionary ruse. Khasbulatov makes a special point of exposing himself to criticism, for which he has an agreement with Yeltsin and hence the disgust the 'democrats' so vociferously demonstrate is probably insincere. Be that as it may, the Speaker is a clever, even I would say, a shrewd chap. We are categorically opposed to having Filatov replaced him. As for Baburin, parliament will not elect him at the present moment."

From Pavlov's revelations, it may be deduced that though the opposition does not trust Khasbulatov, this is not to the extent of toppling him to please the 'democrats,' whom it does not trust still more. The Unity finds Khasbulatov convenient at this present moment as in tactical fighting it may successfully achieve its political aims. As for strategy, the plan is to dog the President and topple his administration.

Yet again not everything is that simple. Gaidar and his team still offer a convenient group of "whipping boys" insofar as the only tangible alternative for the time being is presented by Volsky's boys who will not heed the voice of the man in the street so demonstratively put forward by the opposition leaders. Which is why, as Pavlov confesses, they too won't do.

This means that all that can be done for the time being to accumulate political capital is to exploit the image of champions of "the interests of the people" and of "incorrigible" adversaries of the government, which has encroached upon these interests. The advantage to be derived from this stance is self-obvious. After all, the gov-

Drawing by Arkady Gursky

ernment's unquestionably useful spadework has yet to be completed, and this is being done by others.

No wonder the result of the vote taken as regards the issue of no-confidence in the government before the President is to speak, plus discussion of the programme for intensifying reform and adopting the law on the Cabinet of Ministers, have most eloquently shown that this has been postponed for the time being. Though opposition leaders, adhering to the logic of confrontation, voted against, to judge by Pavlov's reaction they have accepted the actual result with relief considering it "wise, mirroring reality and not out to raise a row."

Reserve option

The reformers also well realize that they were not really girded to mount an allout offensive against Khasbulatov. They believed it important to underscore the problem and show the MPs that with the passage of time the part they play would be reduced by the Presidium and the Speaker to that of puppets on a string. They have evidently brought this home in some degree. Indeed, according to Georgy Zadonsky of the Radical Democrats, consent has been given by various groups of MPs, even from opposed factions, to contribute to parliament's reorganization. What they want to do is to modify the statutes and the procedures for financing MP activities, to restrict the powers of the Presidum and the Speaker, and to enhance the role played by the parliamentary committees and commissions. After all, today it is not only the material needs of the MPs that depend personally on Khásbulatov and his loyal parliamentary apparatus. Even the conditions in which the MPs work are manipulated by the parliamentary bigwigs. It appears that this worries a far greater number than those simply disgusted with Khasbulatov personally.

As regards procedures, the democrats, Georgy Zadonsky says, have a reserve option. It appears that according to the statutes, one fifth of the total membership is enough to include in the agenda a discussion of the Presidium's activity, in which case the Presidium's chairman, to wit the Speaker, will have to present the appropriate report.

The Reform Coalition seeks legislative action that would mandate all executive bodies to unswervingly abide by the government's decisions, for otherwise it claims the government would be nothing but a "reform committee" headed by Gaidar, a body incapable of securing the implementation of the measures drafted. After all, it is an open secret nowadays that tangible interaction between the different government structures is lacking. The democrats are displeased that such "power departments," as the Ministries of Defence, Security and Internal Affairs are, in effect, outside the government's control.

The contradictions inside the government's "economic bloc" have likewise surfaced. Thus, in a letter to the President, Industry Ministry Alexander Titkin notes disagreement with the concept of stock floating and privatization that Vice-Premier Anatoly Chubais has proposed for major and high-tech lines.

Apparently Yeltsin will have to arbitrate here. There was talk of Titkin's possible resignation yet at the 6th Congress of People's Deputies last spring. He didn't go then. What the President will do now?

The "Chelnokov syndrome"

Discussion of Chubais' privatization programme revealed that nobody could offer any tangible alternative. Except for one more manifestation of the "Chelnokov syndrome" (the row when vouchers were cast into Chubais' face was shown on TV screens around the world) plus a political commissar General Tarasov's charge accusing the government of conducting "Bolshevist experiments benefiting the moneybags" (save the mark) though "it is well known how that first experiment ended," and the warning served by the communist Tikhonov to the effect that "no society has grown the richer by sharing out" – which is most noteworthy as an indication of the language chosen by the "knight errants" of communism. The most serious suggestions made came from The Change, proposing that the emission of vouchers be introduced region by region according to their state of preparedness and also that a law on privatization be enacted.

Of course, there was no lack of the Russian parliament's pet pedagogical sermons. Thus, Vladimir Isakov recalled school days when so "elegantly" comparing Vice-Premier Chubais to a schoolboy detected smoking in the loo. "He knows," he said, "that nothing will happen, but that he must say something so as to get the teacher off his back." One would think that Khasbulatov now has a "fitting" academically-minded rival as regards "witty sermons."

Be that as it may, the Speaker still has no equal in pragmatic or political cleverness. He warned the MPs not to act stupidly by attempting to assume the responsibility for privatization. "Let the government be responsible," he said.

The opposition's Abkhazian offensive

As the first week of parliament's fifth session drew to a close, there took place what one might qualify as the opposition's first successful offensive against the government and the President. At two closed sittings, parliament discussed the situation in the Northern Caucasus in the light of the Abkhazian events. Russian Unity leader Sergei Baburin must certainly be given his due for having fully exploited the opportunities arising out of the result of the September 3 Moscow talks between the Russian, Georgian and Abkhazian leaders.

The Abkhazians were displeased, as they failed to have the agreement include the pull-out of Georgian State Council troops from Abkhazia. This aroused disillusionment not only in Abkhazia, but also in Russia's North Caucasian regions, from where thousands of volunteers went to Abkhazia to fight for the Abkhazians.

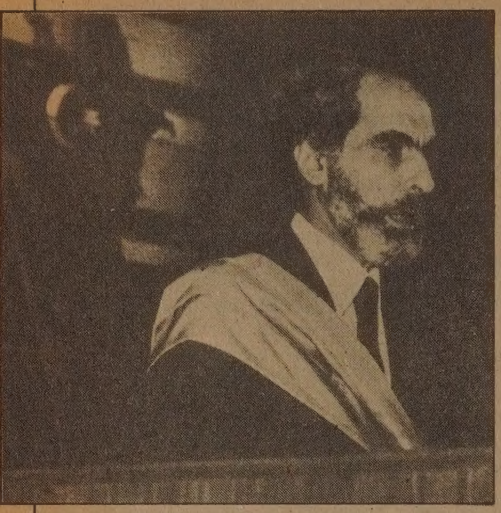
Initially drafted was an adequately well-balanced draft echoing the basic provisions of the September 3 accords, plus a call to the State Council to pull its troops out of Abkhazia. However, as has so often been the case when afternoon sittings are about to close, the more energetic MPs, exploiting the tiredness and indifference of their colleagues, insisted that the text delete the passage recognizing Georgia's territorial integrity. Tbilisi could qualify this as an attempt by Russia to annex Abkhazia, thus implying the danger of developments following the South Ossetia pattern, when last spring Khasbulatov issued what was, in effect, a similar threat.

Parliament even passed a ruling with respect to the Abkhazian events which, as Victor Sheinis put it, was a complete absurdity in the light of the relations between two sovereign states. After all, Georgia is not obliged to adhere to the decisions the parliament of a foreign state may take. The said document also proposed that the Russian government refrain from concluding economic and other agreements with Georgia until a settlement was reached in Abkhazia.

Now diplomats will have to twist and turn to bring the sides back to the negotiating table. However, it is a fact that the said ruling represents a shot fired primarily against the Russia MFA, as was also the case in respect of Yugoslavia. No wonder that not accepted was the amendment which Sheinis put forward, in which he suggested that parliament denounce not the "Georgian leadership" but that portion of this leadership seeking to settle the matter by force. "It is my conviction," Sheinis said, "that these very same MPs would vote against a similar document were it to refer, for instance, to Nagorno-Karabakh." Behind their mood is not at all the desire to champion the right of nations to self-determination, but an attempt to expose to risk the government and eventually Russia's President.

Boris Yeltsin is to address parliament on October 6. What will the "intransigents" present him with then?

Arkady Dubnov



President Elchibei faces no opposition among MPs or bureaucrats whose interests were not infringed upon

One hundred days of President Elchibei

The National Front's triumph over the Communists is to be followed by new battles – between the Front and the National Independence Party

The two Transcaucasian putsches of 1992 (the overthrow of Gamsakhurdia and Mutalibov) are nothing new in a long series of military coups witnessed by the history of the Third World which has no firmly established democratic traditions. Azerbaijan is a typical Mideastern country, and the history of that region bears abundant evidence of the fact that the army's interference in politics is all in the day's work there. In case of such an interference, the army does not necessarily install a reactionary regime, like that of Saddam Hussein, in power. A military coup may bring in its wake authoritarian rule (say, by Hafez Assad in Syria), or the military's fight against Islamic obscurantism (as was the case in Algeria).

Throughout the history of the Turkish Republic, it was the army that implanted Western-type democracy by force and interfered in politics every time democracy was endangered by fascism, anarchy or Moslem fundamentalism (such was the case in 1960, 1971 and 1980). Would theocrats have come to power in Iran in 1979 if the army, fostered by the Shah, had sided with him?

Not for an idea but for earthly blessings

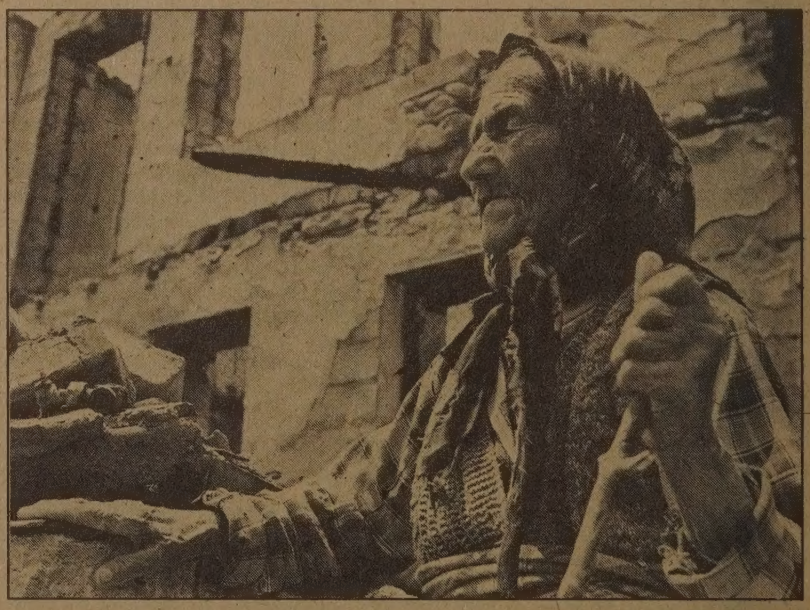
Mutalibov was a sensible man who realized what political consequences the formation of a national army would have. That was why he took his time about it although the Karabakh war was already in progress, and despite the fact that he came under fire from all quarters. He pinned his hopes on the forces of the CIS, i.e. Russia, which, however, acted in a "flexible way," mildly speaking – i.e. from expediency.

Be that as it may, the National Front of Azerbaijan actually came to power as early as on May 15, 1992, i.e. before presidental election. At an extraordinary session of the Supreme Soviet, Issa Gambarov, President Elchibei's closest aide, was elected Speaker of Parliament. The Supreme Soviet itself, where ex-Communists were in the majority, dissolved on May 18 and handed over its legislative powers to the National Assembly (Milli Medjlis) composed of 50 Supreme Soviet deputies – 25 representing ex-Communists, and 25 – the National Front. This body is not legitimate, and will exist till Parliamentary elections which are to be held before this year is out. Such was the political situation which set in after the developments of May 14-15, and in which presidential elections took place, bringing NFA Chairman Elchibei to office.

The Front is not a monolithic political party. It consists of various small parties, organizations and individuals who have one thing in common – opposition to the ruling post-communist regime. Therefore, the leaders of the Front's factions were expected to go their different ways upon its coming to power.

Elchibei realized that, too. He was also well aware of another specific feature of Azerbaijanian politics: his followers, aides and rank-and-file members of the Front, especially in the countryside, fought not so much for national ideals as for government posts, for changes, against the omnipotence of the Party allied with Mafia-like clans.

People have to be rewarded for their pains by tangible results. As to national ide-



100-year-old Gyullyu Abdulaeva on the ruins of her home while politicians in Baku are busy with political games, the real war is on between Armenia and Azerbaijan

als, both ex-communists and the National Front supporters proclaimed them in much the same words.

Before and after presidential elections the Front's leadership replaced executive personnel in the centre and, especially, in rural areas where the Mafia and upper-crust bureaucrats do not make a secret of their unity. A new generation of young politicians and intellectuals came to power. The purge did not assume a total nature, however.

Lest there should arise a new opposition, Elchibei, a shrewd politician, made an important tactical decision: not to touch the bulk of the mid-level Azerbaijanian officialdom which is about 5,000 strong. This body of bureaucrats possesses certain professional qualities which no government can do without. Besides that, in wartime it is necessary to avoid confusion, discontent and even downright sabotage which usually accompany such a purge. As to the top echelon, which comprised about 200 civil servants, it was replaced almost 100 percent.

Don't touch the mafia

Nevertheless, there was a certain amount of disappointment and discontent, and most of those who lost their government jobs joined the new opposition, of which more below. On the whole, the change of government in Azerbaijan went amazingly smoothly, and the present political situation remains stable as distinct from that in, say, Armenia, Georgia or Russia.

Geidar Aliev, the former big boss of the CPSU, and Etibar Mamedov, the leader of the ANIP, are natural political allies

Is that due to the nation presenting a united front to the Armenian aggression? But then, the war in Karabakh did not prevent demonstrations in the rear of the Mutalibov regime which was overthrown twice at the very height of fighting. It would be naive to try and explain stability by Elchibei's high prestige or his adherence to democracy: he is in no way superior to Yeltsin, Shevardnadze or Ter-Petrosyan in this respect.

Bloody battles on the territory of Kazakh region in Azerbaijan

To my mind, there are three causes of political calm in Azerbaijan:

First of all, the President of Azerbaijan faces no parliamentary opposition after the Parliament has self-dissolved. The National Assembly is an artificial body with a 25:25 balance of votes, not elected by the people and having no real power.

Second, Elchibei has not affected the economic interests of bureaucrats and big mafia businessmen. Economic reforms, privatization, the anti-"black market" and anti-profiteering campaign have been postponed till after the war. As a result, the economic underground is not at war with Elchibei as it has been with Vezirov and Mutalibov. Instead of sabotaging the new government, the state machinery is adapting to it for fear of its unpredictability.

Third, upon taking the law-enforcement and state security agencies under its control, the Front did not stand upon ceremony with the armed units of various parties and regions which had armed themselves, allegedly for self-defence, but which actually engaged in armed robbery in cities (by nights) and in villages (in broad daylight). A state of emergency has been imposed in the frontline area, and the bands are being disarmed.

The President has issued a decree authorizing Baku police to search and arrest those suspected of possessing arms. As a result, it is now safe to walk the streets any time of day and night in the city where people used to lock themselves in after dark. Criminal gangs and gunmen of political and territorial organizations prefer not to quarrel with the new authorities and to lie low.

Nevertheless, a real and politically organized opposition to the National Front government does exist and is gathering strength. It is not the overthrown post-Communist regime which, until recently, has been the main opponent of the National Front of Azerbaijan. The former Communists who, unlike their "co-religionists" in Central Asia, have never formed a new party, are gone from Azerbaijan's political scene (recall the specific feature of modern Azerbaijanian politics – struggle for posts, not for ideals). This phenomenon has been aptly described by Russia's Vice-President Alexander Rutskoi as "national careerism."

The "strong-arm" opposition

A new powerful force, the Azerbaijan National Independence Party (ANIP), is

emerging on the political arena, and the line of political struggle now passes between the NFA and the ANIP.

Right after presidential election – which the ANIP leader Etiber Mamedov, the current President's strongest rival, stayed away from – the ANIP held a constituent congress. Among the delegates of the Congress, held in the Baku Opera and Ballet Theatre, one could see a former Party and Komsomol worker, an unemployed from a backwoods village, an ex-activist of the National Front who failed to secure an executive post, an idealistic intellectual with pan-Turkic aspirations.

It was announced that the ANIP already had 100,000 registered members. The Party's Programme and the Rules were adopted, and its board, headed by Etibar Mamedov, elected. The new Party's ideas, which distinguish it from the Front, boil down to the need for establishing in Azerbaijan, for the duration of the "transition period," an authoritarian rule because in Azerbaijan today unlimited democracy will inevitably degenerate into anarchy. On the whole, however, the two parties' programmes are largely identical except that the ANIP lays a stronger emphasis on populism which attracts to it thousands of lumpen individuals eager to smash the foundations which the Front does not encroach upon for the time being.

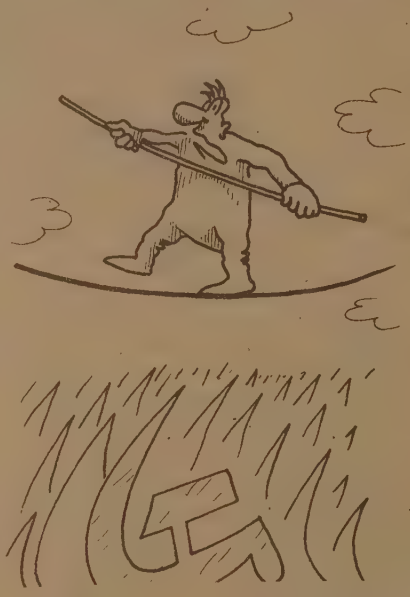
The number of jobless in Azerbaijan (population: seven million) amounts to one million, i.e. to 27 percent of the country's workforce – more than was the case in the US during the Great Depression. This is potentially the most dangerous and destructive social force, and if it follows the ANIP, the political consequences of that will be unpredictable. Recall the situation in Turkey at the end of the seventies when young unemployed followed Colonel Turkes's "grey wolves" (the gunmen of the Nationalist People's Party.)

The ANIP is gathering strength and preparing to challenge the People's Front at the parliamentary elections coming this autumn. Incidentally, there exist in Azerbaijan "grey wolves" units Turkish-style, and Colonel Tyurkes, who visited Baku in May, blessed local Pan-Turkists. Recently, Etibar Mamedov paid him a reply visit in Ankara. What the two talked about is anybody's guess, but one thing is clear: democracy in Azerbaijan is facing a serious challange.

Local observers do not rule out the prospect of Geidar Aliyev, a former member of the CPSU Central Committee and now the leader of the Nakhichevan Autonomous Republic, finding it worth his while to accept Etibar Mamedov's offer of the ANIP leadership or nomination for the top executive post in Baku. The two men's political creeds and "iron-handed government" concepts have much in common. Geidar Aliev recognized neither Vezirov, nor Mutalibov, nor Elchibei. He ignored them, and they paid him in kind. This makes Mamedov and Aliyev natural allies.

Where have the Communists got to?

The alliance between ex-Communists and their recent opponents may look strange at



Drawing by S. Fedko

a first glance. Actually, such transformations are now common in Azerbaijan where thousands have "turned their political coats" practically overnight.

There have never been convinced Communists in Azerbaijan, of course – the Communist Party has been a formal structure imposed on it by Moscow. A natural question arises: if the members of the Communist Party of Azerbaijan have renounced and condemned it, why haven't they formed another political party or organization which would at least protect their position in society and meet, in an organized way, the political challenge from the opposition? Hasn't the Communist Party of Kazakhstan become the Socialist Party of Kazakhstan, and the Communist Party of Uzbekistan – the People's Democratic Party?

Azerbaijanian (as well as Georgian and Armenian) Communists have proved passive organizationally. This may be connected with the Karabakh conflict in some way or other, but more likely than not the answer lies in the specific features of the Transcaucasian nations – there is no social base for communism there.

After Mutalibov had fled, the former Communist Party ceased to exist as an organized political force. It just vanished into thin air. Where did thousands of ex-Communists get to? After all, Communist Party membership was not restricted to civil servants – all the engineers, mucisians, policemen, writers and scientists who were more or less active politically and eager to "make good" had joined it. Now they changed to either the National Front, or the ANIP, with liberal, well-educated technocrats and supporters of democracy joining the former, and those standing for "tough methods" and authoritarian hierarchy, the latter.

The Communist Party of Azerbaijan came to an inglorious end as quickly as it had emerged in 1920. There is the Socialist Democratic Party of Azerbaijan – why haven't most ex-Communists joined it? As already mentioned, the basic principle of Azerbaijanian policy is: practical advantages come before ideals. The Social Democrats, headed by Zardusht Alizade, are too weak to take over power tomorrow.

Fortunately, the Islam plays no important political role in Azerbaijan – otherwise, yesterday's atheists would have turned into fundamentalist Moslems in the name of Allah. This explains the paradoxical phenomena in Azerbaijanian policy. And this is why the National Front, upon coming to power, has left the entire ex-Communist government personnel intact. Under the circumstances Geidar Aliyev may well come to lead the National Independence Party which "Right-wing" ex-Communists are now joining.

There will be no democracy

As distinct from the Social-Democratic Party of Azerbaijan and other small parties, both giants – the NFA and the ANIP – have a broad social base in Azerbaijanian society. Azerbaijan is promptly gaining political maturity, the time of playing upon patriotic feeling alone is past. Much as I'd like to be mistaken in my forecasts, my professional experience tells me that in the long run, under the specific conditions of Azerbaijan, the authoritarian party, i.e. the ANIP, is more likely to assume power.

Alek Rasizade
NEW YORK

Photos by ITAR–TASS

The rabbit and the carrot

Negotiations on the postponement of payment for Russia's debts, inherited from the disintegrated USSR, resemble a computer game. The outcome is clear to everyone, but the game has to be played out anyway.

Everyone understands that Russia simply is not in the position to pay 20 billion dollars a year which, according to the Minister for Foreign Economic Relations P. Aven, Russia owes to West European bankers. All recognize that Russia, in order to avoid falling into the precipice off the steep road to a free market, needs various forms of economic aid one of which could be an alleviation of the debt burden.

All are in understanding about this, and yet a concrete long-term solution to this problem is repeatedly postponed from one meeting of ministers and bankers to another. Why? There are different explanations to this situation. For instance, some recall the outburst of controversies over the currency issue in the West which then blocked tackling financial problems of the East. However, this was soon settled by the positive results to the referendum in France.

Others talk about the general economic slump in post-industrial countries which makes them take finances very seriously. Nevertheless, experienced Western financiers are aware that this is precisely the case when one gains a dime today but loses a dollar tomorrow. Lastly, some refer to the complexity of the problem, to the fact that it's difficult to calculate loan payments and credits extended at different times and on different conditions. After all, these are technical difficulties which are made impossible to overcome only when someone has reasons not to want to overcome them. Such reasons do exist, and they are very clear.

To quote Jean-Michel Camdessus, Managing Director of the International Monetary Fund: "The major principle of our activity is very simple: the better the programme of reforms and greater the efforts a country makes in order to carry them out, the stronger is our support." This principle of the IMF seems to be increasingly expanded to other international financial institutions and to the approach of not only bankers but also of presidents and ministers to, in particular, the problem of postponement of Russia's debt payments. But the question arises: who, how and on what grounds will determine the criterion for judging the quality of Russian reforms and their intensity?

In the complicated internal political situation now taking shape in Russia, this cardinal question can be decided only in consent with the various competing forces in the country and the mood prevalent in various strata of her population. Presidential structures, parliament, the government, trade unions, the emerging political parties and simply "men in the street" – all of them create, in the struggle of passions, a *sui generis* resultant force, a common denominator in politics. It's only natural, but it's important that these "struggles of passions" don't reach beyond the limits of a peaceful, civilized process which, as observed today in the Caucasus and in Yugoslavia, are so easily abandoned by those who have broken the ice of communist order. Under such conditions, any pressure from outside, even backed by the best intentions, can lead to an explosion.

In the meantime, there are strong attempts to politicize, even to personify the postponement of paying back debts. Such attempts, it seems, could only cause just the opposite reaction. Suppose, Western creditors have demonstrated special confidence in Minister X, having connected the promise to postpone payments namely with him personally. In this case he would become especially vulnerable to attacks by those forces which have taken an anti-Western, extreme nationalist stand.

Still more dangerous are the attempts to condition the postponement of payment of debts on Russia's foreign policy actions. They are not seen on the surface, however, the Japanese press has published information that certain circles in the country of the Rising Sun would like to punish Russia for the cancelling of President Yeltsin's September visit. Rather ambiguous also was the position taken by Germany on whom the concessions over the question of payments largely depend. The German government began to be more definitely inclined to the idea of postponement only after a compromise had been reached over an absolutely different matter, the voting in the UN on Yugoslavia's membership. It's hardly a mere coincidence.

Of course, the bringing together of even the most remote problems, as well as finding concessions and compromises is precisely the art of diplomacy, which really is an art and not the kick-boxing, not the imposing of somebody's will or twisting of arms, even if the twister wears white gloves.

Certainly, Russia can't do without the West, which is well understood there. But will the West be able to do without Russia, without her stabilizing role in the entire space of the former USSR? Suffice it to remember the peacemaking missions in the Dniester Region and Ossetia, now in Abkhazia and Tajikistan. And it's not Russia's fault that these missions have to be carried out not only by diplomats, but also by soldiers. Neither can be ignored the example which she sets by means of her democratic and market-oriented reforms not only to the Asian republics but also to Ukraine where the old ways proved very tenacious. The role of the "locomotive of reforms" in the CIS is a hard one, it entails a new burden, hopefully temporary, for the long-suffering population. But who else could assume this role?

Hardly anyone else could have laid bridges to Serbia and the new Yugoslav Federation, thus promoting avoidance of the "internationalization" of the Balkan conflict with its unpredictable consequences for the whole of Europe. Or to Syria, and to the Palestinians, without whose participation the process of the Middle East settlement would resemble the gait of a one-legged man.

All this can be accomplished only by an independent power which conducts an independent policy, and not a voiceless satellite, an object of permanent economic pressure. However, certain shortsighted politicians would like to turn the problem of Russian, more exactly, Soviet debts into precisely such an instrument of permanent pressure. Do you remember the carrot hanging before a rabbit in an American cartoon? This carrot is easily convertible into a cudgel, if taken by the other end. Playing with this sort of a "carrot" is no game for far-sighted Western politicians.

Dmitry Volsky

The Russian right and black magic

They believe in the Kabbala, the mysterious forces embodied in zodiacal symbols, the predictions by Nostradamus and in the invulnerability of whites to AIDS

Walter Laqueur

By and large we have restricted our survey to the moderate, "respectable" right without referring to its lunatic fringe. But such a fringe does exist, it has its meetings, publishes journals and the dividing line between these circles and the more respectable figures of the right is not always easy to discern with the naked eye. The most extreme publications as for instance *Narodnoye Delo* or *Russkie Vedomosti* show a heavy preoccupation with sexual themes. Thus it is argued that the white race (unlike the coloured) is not endangered by AIDS, and that a Russian woman who had intercourse with a black man or a Jew even if only once, will no longer be able to give birth to a genetically pure Russian child, but will be the mother of a Jewish or Black child. It goes without saying that Rosenberg, Goebbels and Mussolini have been widely published in this literature.

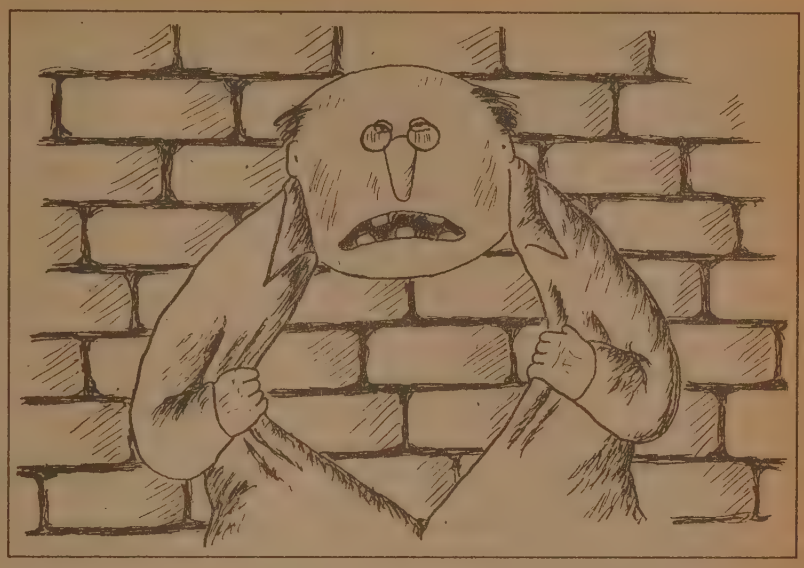
The previous articles by this American historian and political scientist were devoted to the international political views of the domestic extreme right and the neo-Pagans who reject the Orthodox Christian faith and believe that the genuine Arians are Russians (see issues 38–39/92).

The occult sources of the extreme right

The sources of contemporary right-wing Russian thought can be traced back to the Slavophiles and Dostoyevsky, to the Orthodox Church and (to a limiterd extent) to neo-Paganism. But there is yet another trend, often overlooked but as important as any of those mentioned. This refers to the esoteric tradition, the occult sciences, in particular astrology and other aspects of non-rational, non-analytical thinking, drawn from ancient Indian sources, Nostradamus, spiritualism, para-psychology and other such sources. A survey of books published between 1988 and 1992 shows that the number of titles and copies of books and almanacs published during that period considerably exceeds the circulation of Karamzin's *History of Russia* and the other key works of the Russian national tradition and equals, or perhaps even exceeds, that of *The Bible* and other religious writings.

To provide but one example – *Knizhnoye Obozreniye* (Books Survey), 3, 1992, announced the publication of 25 new books under the heading "philosophy, sociology, psychology and religion." Out of these ten dealt with occult sciences. Whereas the average circulation of the non-occult books was between 10,000 and 20,000, 50,000 to 100,000 was the average for astrology and allied subjects.

In the West as in the East this phenomenon has by and large been ignored. True, Jung once wrote that the high tide of astrology was now, not in the Middle Ages, and that it was "knocking at the doors of the universities." Fritz Saxl, the art historian, has noted the phenomenal rise of astrology, interpreting it, in part, as a return of Paganism typical during periods of great unrest and concluded that no historical period could be fully understood unless its unscientific tendencies were carefully studied.



They don't believe in God, they believe in Satan

As far as academic thought is concerned, astrology has been out of fashion since the scientific revolution of the 17th century. But in England, and later in America, astrology was never quite dead. There was an occult revival in France in the late 19th century, in Germany just before and after the First World War, and in Russia too these schools have been welcome for a long time. Several of the key figures, Madame Blavatsky (1831–1891), Gourdijeff and Ouspenski were of Russian origin, even if they spend most of their life outside their native country. The belief in faith healing has always been fashionable in Russia. The case of Rasputin is well known, as is the dependence of the family of the Tsar on this holy man. But he was only the best known of a whole series of leading practitioners of faith healings. It was therefore of no great surprise when this phenomenon reappeared in Russia in the 1960s, when even members of the Politburo were consulting fortune tellers and faith healers.

However, the occult subculture was until recently kept apart from official ideology; *Pravda* would not publish horoscopes, (as *Sovetskaya Rossiya* does in 1992), nor would *Kommunist* open its pages to discussions of Emanuel Swedenborg and Rudolf Steiner. There were some scientific investigations into para-psychological phenomena but this occurred in the West too.

While the occult sciences are *prima facie* unpolitical, their attraction for people subscribing to a rational Weltanschauung has been traditionally much weaker than for those believing that science was not in a position to provide answers to the truly important questions in life. The enormous revival of occultism in contemporary Russia is, in large part, a reaction to the "scientific" claims of yesteryears official ideology – Marxism-Leninism.

Revelations of Sharikov-Riesenschnauzer

As far as the Russian right is concerned, the belief in Satan and various demons is part of the occult tradition, for it went far beyond the teaching of the Church. But there are other influences especially on the far right; a few typical examples will suffice to clarify their essence and appeal. The belief in divination is widespread on the Russian right. Half of the space of the December 1991 issue of *Russkoye Voskresenye,* the organ of the Russian national liberation movement, was devoted to translations from Nostradamus, according to which the Satanists will be finally destroyed in the year 1999. These predictions are accompanied with a variety of medieval caricatures of animals and demons as well as pseudo-mathematical formulas. (Nostradamus was, however, discussed in popular scientific journals such as *Znaniye Sila* (Knowledge is Power), 11/1991. There are no predictions about Russia but about a country named Aquilon which has been constructed as being Russia by some followers of Nostradamus.) *Puls Tushina,* the leading local Moscow anti-Semitic journal, wrote that a Novosibirsk local newspaper *7 Dnei* (7 Days) reported on Chernobyl disaster ten days before the event. The author of the article later hanged himself.

Needless to say, the case was treated as one of the murder by *Puls Tushina.* True, such belief is not confined to the right: a publication of the Soviet Foreign Ministry reported that astrologers were the first to announce in newspapers and on television that a coup d'état was possible in 1991/92 but were dismissed as scare mongers. However, nowhere have such specific and far reaching claims been made as in the journals of the extreme right. The author also notes in *International Affairs* that the conspirators would have had somewhat better chances in July. It would have been fair to note that many Western Sovietologists, not to mention Shevarnadze, Yakovlev *et al,* also expected a coup. Thus, both *Istoki* and *Voskreseniye* published articles in the summer of 1991 dealing with the mysterious death of some prominent Russian anti-Semites. The former article was entitled "How they kill us," the latter "The riddle of a murder undiscovered yet." They were possibly written by the same person; one was signed Astrologer, the other Sharikov-Riesenschnauzer, astrologist.

The symbols of the zodiac – the clue to the riddle of the crime

The articles deal with the suicide of Smirnov-Ostashvili, a Pamyat leader, and the death in a road accident of Yevseyev, a prominent ideologist of the same trend. The argument of the author(s) runs briefly as follows: the figures seven and eight are considered propitious by people engaged in Black Magic. On February 7, 1990, *Literaturnaya Gazeta* published an article

accusing Ostashvili of various misdeeds. On February 10, 1990, Yevseyev had an accident, on the 15th (seven plus eight!) he died. He was found injured by the traffic police on Kilometer 78 (!) of the Moscow ringroad. Earlier that day the state attorney had initiated a law action against Yevseyev under article 74 (incitement of racial hatred – again the seven!) which was discontinued because "ritual murder had already been committed." According to the astrologist, Yevseyev was either hypnotized by people engaged in black magic or deceived and led into a trap by someone whom he thought an old friend, or by the physicians who, in an attempt to save him, cut his larynx ("so that he could not talk any more").

There is even more conclusive evidence. The murder was committed at eleven in the evening which, according to old Eastern tradition, is the "hour of the dog"; on the last picture of Ostashvili the clock shows ten; the tenth sign of zodiac is Capricorn which, according to astrological tradition, is auspicious for those holding secret power in the country, usually mason-pederasts ("in Russia all masons are pederasts") because their idol is a little devil in the shape of a billy goat named Vafomet. The author(s) considers the possibility that these nefarious actions might have been connected with a big campaign launched at the time against the KGB but then dismisses it because the idea of a simple ritual murder seems more likely.

The "hour of the dog" also provides a clue; when Rasputin and Nikolai II were killed, their dogs were also done away with, and *Ogonyok,* the leading liberal journal of the day, referred to Yevseyev shortly before his death as "Sharikov's Children." Further clues are provided by the signs of zodiac: each favours a certain people – the Widder stands for Germany, the Lion for Japan, the Fish for sundry island peoples, including the Jews. The same is true with regard to certain parts of the body. the Calf stands for the face and the neck; Twins for the waist, Aquarius for the larynx. Since the doctors carrying out the post-mortem obduction cut Yevseyev's larynx, all the pieces in this satanic puzzle fall into place. It clearly appears in what direction the bloody traces lead of the murders of two patriots – Yevseyev and Ostashvili.

This example conveys the flavour of the mentality and the arguments of the astrologists of the extreme right. One feels tempted to regard such ravings as an elaborate hoax; surely an astrologist chosing the pen name Riesenschnauzer-Sharikov cannot possibly have expected his arguments to be taken seriously. However, a sense of humor is not one of the outstanding features of the far right in any country, least of all in Russia.

Rejecting the Rosicrucians

There is no unanimity among the Russian right with regard to the various occult schools. One might have assumed that the doctrine of Mme. Blavatsky should have appealed to the Russian right; she was Russian by origin and at one time volunteered to act as an agent of the Tsarist political police. She prominently referred in her works to India's wisdom, the Svastika and the Aryan race. Her works, above all *The Secret Doctrine,* (1888), were widely published in Russia under *glasnost.* (On the occasion of the 100th anniversary of her death *Nauka i Religiya* /Science and Religion/, once the leading atheist journal, devoted five articles to her memory /September 1991/. A new Theosophical society was found in Moscow in 1991.) But the right kept its distance from Blavatsky, partly because she presented a syncretive religion colliding with the teachings of the Orthodox Church. They are even less sympathetic towards the Rudolf Steiner school of theosophy, largely, no doubt, because of the non-Aryan origin of its founder, and they have emphatically rejected the Rosicrucians and Swedenborg, the Swedish 18th century engineer who had been a pioneer of the primacy of extrasensory perception. Again certain interesting parallels obtrude themselves with the occult sources of German National Socialism. The "Ariosophists" of Germany and Austria picked from the rich variety of occult theories and practices those fitting best their political aspirations, rejecting or ignoring the rest. Himmler and other Nazi leaders were influenced by the Ariosophists. But such influence in later years declined; on the contrary, Hitler derided the sectarians of the right whom he regarded as "Spinner," (faddists) who had no mass appeal and in fact impeded the unification of the German right with their unending internal squabbles. In some ways Hitler and the Russian far right faced similar dilemmas. Their Weltanschauung was irrational, utopian, anti-Western, anti-modernist. But Hitler was sufficiently realistic to realize that a strong Germany could exist only if it were based on a strong army, this based in turn, on a big and efficient industry not on some occult fantasies. The *gosudarstvenniki* and National Bolsheviks among the Russian right understood this, but other groups found it exceedingly difficult to accept.

LONDON

Drawings by Marat Tairov

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STATE TAXATION SERVICE OF THE RUSSIAN FEDERATION
March 20, 1992, No. 8

INSTRUCTIONS ON APPLICATION OF THE LAW OF THE RUSSIAN FEDERATION "ON INCOME TAX ON INDIVIDUALS"

Continued from No.39

Section II. TAXATION OF INDIVIDUALS' INCOME FROM THEIR PERFORMANCE OF LABOUR AND EQUATED DUTIES AT THE REGULAR PLACE OF WORK (SERVICE, STUDY)

22. Any income received in a calendar year only at one enterprise, institution or organization by individuals having employment or equated arrangements with such enterprise, institution or organization, regarded as their regular place of work (service, study) shall be taxable under this Section.

Labour and equated duties shall be understood to mean:

performance by an individual of work in his specific trade and job in accordance with his qualifications on the basis of a labour contract (agreement) signed by him with an enterprise, institution or organization or fulfilment of labour functions in connection with his membership of a cooperative, collective farm, private farm, social or religious organization and the bar, or with his service or study.

23. The aggregate income shall include all kinds of income received from a given enterprise, institution or organization, in particular:

– wage/salary, bonuses and other rewards connected with performance of labour duties, including moonlighting, and performance of work under civil-law contracts and on other grounds, as well as the amounts received as dividends on shares and other income accruing as a result of distribution of the profits (income) of the enterprise, institution or oganization, including income resulting from the granting by the enterprise, institution or organization at its own expense of material and social benefits to its employees;

– income paid by cooperatives, including collective farms and private farms;

– wage/salary, bonuses and other rewards and payments connected with performance of labour duties by individuals working at enterprises established on the territory of the Russian Federation with the involvement of foreign investments, at international associations and organizations, foreign firms, banks and their representations, at foreign diplomatic, consular and other official representative offices of foreign media organizations;

– amounts of remuneration received by lawyers for work at legal advice bureaus;

– income paid out to individuals, including clergy working at religious organizations and enterprises founded by religious organizations, as well as at charitable organizations set up by them;

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– amounts of scholarships and other income of post-graduate students, interns and other like categories of payers; and

– income of higher and high-school students from work at enterprises, institutions and organizations, and scholarships received directly from enterprises and organizations (except scholarships received from these schools).

Enterprises and organizations that signed agreements with individuals on the latter's performance of jobs and services, the earnings from which shall be surrendered to them in fixed amounts, shall be obligated to deduct tax from the sum total of the income received by such individuals. With this aim, the enterprises and organizations shall take stock of all returns for the performed jobs and services, including the receipts not surrendered to such enterprises and organizations.

24. The income of individuals specified in this Section, which is derived at the regular place of work for performance of jobs not connected with their fulfilment of labour and equated duties (for performance of work under civil-law contracts, including one-time jobs) shall be taxed in the aggregate with the principal income.

Example. An individual working at an enterprise on the basis of a labour contract draws a monthly wage of Rbs2,000. Simultaneously, the individual moonlights at the same enterprise, for which he is paid a

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monthly Rbs500. In January he performed a job for the same enterprise under a contract of hiring work, for which he got paid Rbs200. In such case, the individual's aggregate income in January came to Rbs2,700 (2,000 + 500 + 200), of which the amount of the legally established minimum monthy pay, as well as – in appropriate cases – the amounts of spending on the upkeep of children and dependents, is/are to be deducted.

25. Tax shall be assessed and withheld by enterprises, institutions and organizations from the start of a calendar year at the end of each month from the amount of individuals' aggregate income reduced by the amounts of the legally established minimum monthly pay and expenses for the upkeep of children and dependents, stipulated by items 9, 10, 11 and 13 hereof, at rates specified in Item 20 above, with account taken of the amount of tax deducted in the preceding months.

At the end of the year, tax shall be reassessed on the basis of an individual's aggregate income in that year minus all amounts to be subtracted from the year's aggregate income.

Example. An individual received from an enterprise income for work on the basis of a labor contract, amounting to Rbs8,000 in January and Rbs9,000 in February. He has four children under 18 years of age and two student children under 24. A fact of which he notified the accounting department of the enterprise in writing, providing certificates to prove that his children are full-time college students and that his wife does not enjoy subtractions for the upkeep of the children (the legally established minimum monthly pay is Rbs342).

The book-keeping department of the enterprise in such case shall withhold income tax as follows:

(a) With respect to the January income, the department shall determine:

– the month's income not subject to taxation – Rbs2,394 [342 + (342 x 6)];

– the amount of assessable income, calculated by reducing the aggregate income by the non-taxable income amounting to the sum of the legally established monthly pay plus the spending on the upkeep of every child in the same amounts – Rbs5,606 (8,000 – 2,394); and

– the amount of income tax – Rbs672.72 (5,606 x 0.12).

(b) With respect to the February income, the department shall determine:

– the individual's aggregate income from the start of the year (in January and February) – Rbs17,000 (8,000 + 9,000);

– the amount of assessable income from the start of the year, calculated by reducing the aggregate income from the start of the year by the non-taxable income – Rbs12,212 [(17,000 – (2,394 x 2)];

– the amount of tax on the aggregate income from the start of the year – Rbs1,465.44 (12,212 x 0.12); and

– the amount of tax on the February income by reducing the amount of tax on the aggregate income from the start of the year by the amount of tax deducted in January – Rbs792.72 (1,465.44 – 672.72).

The amounts of tax to be deducated on the income of the subsequent months shall be computed in the same manner.

26. Should an individual change his regular place of work (service, study) during the year, the accounting department of the enterprise, institution or organization shall be obligated to issue him a certificate of the income paid to him and the amounts of tax deducted during the year in accordance with the format specified in Attachment No. 6 hereto.

In employment at another enterprise, institution or organization under a labor contract, the individual shall be obligated to provide the said certificate to the accounting department of his new place of work before drawing the first pay.

'Tax assessment at his new place of work (service, study) shall be based on the aggregate income received at the former and new places of work (service, study) since the satart of the year.

Example. A childless individual on August 10 left a job at an enterprise where he had been employed since the start of the year. During that period he was paid income amounting to Rbs10,500, on which he paid tax standing at Rbs972.72 – (from the assessable income amounting to Rbs8,106 [10,500 – (342 x 7)]. On August 26 that same year, the individual was hired by another enterprise under a labour contract for a monthly salary of Rbs3,000. Simultaneously with taking up the job, the individual brought a certificate from his former workplace on the income paid to him and the amounts of tax withdrawn from that income since the start of the year. Tax on his income received in August shall be deducted at the new workplace as follows:

(a) the individual's aggregate income from the start of the year shall be worked out – Rbs11,182 (10,500 + 682);

(b) the unassessable equivalent of the legally established minimum monthly pay multiply by the number of months the individual was employed during the year shall be subtracted from the aggregate income from the start of the year to calculate the amount of taxable income – Rbs8,446 [11,182 – (342 x 8)];

(c) the amount of tax on the aggregate income from the start of the year shall be calculated – Rbs1,012.52 (8,446 x 0.12); and

(d) the amount of tax withheld at the former workplace shall be subtracted to work out the amount of tax due on the August salary – Rbs40.80 (1,03.52 – 972.72).

27. If an employee quits his job without completing the last month of work (i.e. having worked less than 15 days in such month), tax on the income paid that month (the pay for the number of days worked plus compensation for the unused leave and other assessable income) shall be deducted from the aggregate income from the start of the year without subtracting the legally established minimum monthly pay and expenses on the upkeep of children and dependents for that month from the aggregate income from the start of the year. An appropriate note shall be made in the certificate to be issued on the income paid and the taxes charged on such income.

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Example. An individual on July 10 left his job at an enterprise where he had been employed from the start of the year. During the six months between January and June he was paid income amounting to Rbs10,500, from which tax amounting to Rbs956.88 was deducted. The subtractions from the aggregate income came to Rbs2,526 (the minimum monthly pay amounted to Rbs342 in the first quarter and to Rbs500 during the second quarter). Upon his leaving his job the individual was paid assessable income for July, amounting to Rbs2,000.

Income tax in such a case shall be withheld as follows:

(a) aggregate income from the start of the year and until the day of quitting the job shall be calculated – Rbs12,500 (10,500 + 2,000);

(b) the amount of minimum monthly pay multiplied by the number of the full months during which the individual was employed – Rbs2,526 [(342 x 3) + (500 x 3)] – shall be subtracted from his aggregate income from the start of the year to calculate the assessable aggregate income – Rbs9,974 (12,500 – 2,526); and – the amount of tax of the aggregate income shall be computed – Rbs1,196.88 (9,974 x 0.12) – and the earlier deducted amounts of tax (Rbs956.88) shall be subtracted to calculate the final amount of tax to be withdrawn upon the individual's release from his job – Rbs240.0 (1,196.88 – 956.88). If the number of days worked at the new workplace during the month, in which the individual quit the job at his former workplace, together with the number of days worked that month at the former workplace add up to 15 or more calendar days, the subtraction from the aggregate income from the start of the year of the amount of the minimum monthly pay and, in appropriate cases, also of the expenses on the upkeep of children and dependents shall be done at the new workplace in tax assessment for such month.

28. In cases where bonuses and other payments connected with individuals' performance of their labor duties at their former workplaces are paid during the year in which they left their former jobs, tax shall be assessed on such payments combined with the income earlier received during the calender year. The amounts subtracted from income within the limits of the legally established minimum monthly pay and expenses on the upkeep of children and dependents shall be calculated on the basis of the number of months actually spent working at the given enterprise, institution or organization. Enterprises, institutions and organizations shall be obligated to report to the tax agency in their area the total amount of the income paid to individuals and the amounts of tax exacted.

Example. An individual on September 30 quit a job at an enterprise, where he had worked since the start of the year. During the nine months (January–September) he received wages totalling Rbs27,000. Subtractions from the aggregate income amounted to Rbs4,926 (minimum monthly pay was Rbs342 during the first quarter of the year, Rbs500 in the second quarter and Rbs800 in the third).

The tax collected at the enterprise from the assessable income (Rbs22,074) amounted to Rbs2.648.48.

After his release from the job the individual was paid a bonus of Rbs5,000 in October.

Income tax in such a case shall be levied as follows:

(a) the aggregate income from the start of the year shall be worked out with account of the bonus paid in October – Rbs32,000 (Rbs27,000 + 5,000);

(b) the amount of the legally established minimum monthly pay multiplied by the number of full months spent working (nine months) – Rbs4,926 – shall be subtracted from the aggregate income to calculate the aggregate assessable income – Rbs27,074 (32,000 – 4,926); and

(c) the amount of tax on the aggregate income shall be worked out – Rbs3,248.88 (27,074 x 0.12) – and reduced by the earlier withheld tax – Rbs2,648.88 to compute the final amount of the tax to deducted – Rbs600.00 (3.248.88 – 2,648.88).

29. If payments specified in Item 28 hereof are made in the year following the year in which the individual left his former workplace, tax shall be assessed from the combined amount of income (without any subtractions) received by him at his former workplace. Within one month of the date of payments, enterprises, institutions or organizations shall report to the tax agency in the area, where they are located, the amounts of income paid and the amount of tax deducted.

Example. On November 30 an individual quit a job at an enterprise, where he had worked since the start of the year. During the eleven months (January-November) he was paid wages totalling Rbs33,000. Subtractions from the aggregate income amounted to Rbs6,926 (the minimum monthly pay stood at Rbs342 in the first quarter of the year, Rbs500 in the second, Rbs800 in the third and Rbs1,000 in the fourth). The amount of tax deducated from the aggregate assessable income (Rbs26,074) at the enterprise came to Rbs3,128.88.

After his release from the job the individual in the January of the following year was paid a bonus of Rbs4,000. In such a case tax shall be deducted only from Rbs4,000 and amount to Rbs480 (4,000 x 0.12).

In the event that individuals receive income at the former workplace after leaving it, they shall be obligated to report the combined amounts of income received and tax deducted at the new and former workplaces in a declaration to be submitted no later than April 1 of the following year to the tax agency in the area of their permanent residence.

30. When an employee goes on annual leave, tax shall be assessed from his aggregate income from the start of the calendar year (with account taken of the leave payment falling on the assessable period). Subtractions from the aggregate income, amounting to the amounts of the minimum monthly pay and expenses on the upkeep of children and dependents, shall be made for each full month on the job and on leave (15 and more calendar days shall be regarded as a full month).

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Example 1. An employee of an enterprise left on leave for 30 days – from August 10 until September 9. In such a case, subtractions of the minimum monthly pay and expenses on the upkeep of children and dependents from the aggregate income shall be carried out for eight months.

Example 2. An employee of an enterprise located in the Far North went on leave for 90 days – from August 10 until November 9. In such a case, subtractions of the minimum monthly pay and expenses on the upkeep of children and dependents from his aggregate income shall be made for ten months.

If an employee returns to work from leave early, tax shall be assessed on the aggregate income from the start of the year with account taken of the leave payments received, as well as the wage/salary received after reporting back to work from leave. In cases where the aggregate income from the start of the year includes income received during the months, for which subtractions of the minimum monthly pay and expenses on the upkeep of children and dependents have already been made, such subtractions shall not be made for such months.

Example. An employee of an enterprise located in the Far North went on leave for 90 days – from August 10 until November 9. His income received from the start of the year was reduced by the amounts of the minimum monthly pay and expenses on the upkeep of children and dependents, with the tax collected on the resulting assessable income (Rbs45,500) – Rbs5,565.

The employee reported to work from leave early, on October 1. His wage/salary for October came to Rbs5,000. In such case, tax in October shall be levied on the aggregate amount of income from the start of the year – Rbs50,500 (45,500 + 5,000) – and come to Rbs6,315 minus the earlier withheld amount of Rbs5,565, i.e. to Rbs750.

The amounts due to an individual during the time of his annual leave taken for the next calendar year shall be included in his aggregate income for that year.

Example. An employee went on leave from December 17, 1992, until January 23. 1993. His leave payments amounted to Rbs5,730, including Rbs2,380 for December 17-31, 1992, and Rbs3,350 for January 1-23, 1993. In such case, tax on the part of the leave payment falling on 1993 shall be collected separately and that sum (Rbs3,350) shall be reduced by the appropriate subtractions. Upon the employee's return from his leave the amount shall be taken into account in aggregate tax assessment for 1993.

Tax on amounts paid to office and factory workers from social insurance funds during their temporary disability shall be assessed similarly.

31. Income tax shall be assessed on the amount of income in full rubles (with sums less than a ruble not taken into account). The calculated amount of tax shall be rounded off to full kopeks.

32. Tax shall be withheld on the full assessable income regardless of whether any remittances/subtractions are made from such income either on orders by the individual himself or on the basis of a court ruling, except for remittances at the individual's written request of amounts of assessable income for charitable purposes, as well as to enterprises, institutions or organizations in the fields of culture, education, public health and social welfare that are either fully or partially funded out of the budget.

33. Enterprises, institutions and organizations shall be obligated at the end of each month, but no later than the date of receiving pay funds at a banking institution, to remit the amount of tax assessed and deducted from individuals during the preceding month, towards the budget.

Enterprises, institutions and organizations that do not have accounts at banking institutions, as well as those paying wages and salaries out of their takings from the marketing of products and the performance of jobs and services, shall remit the assessed amounts of tax to banking institutions on the following day after assessing the amounts to be paid as wages and salaries.

34. Taxes deducted from the income of individuals and amounting to a total of more than ten rubles shall be remitted towards the budget in full rubles. If the sum total of tax shall be under ten rubles, it shall be added to the amount to be remitted towards the budget the next month, but no later than the month of December of the current year.

35. Income tax on income payable to individuals shall be remitted towards the budget only by withholding the amounts of tax from their income. The payment of tax on individuals' income at the expense of enterprises, institutions and organizations shall not be allowed.

Those violating the established procedures of tax remittance shall be punished by fines amounting to the remitted amounts of tax.

The taxable income of individuals shall, in this case, be increased by the amount of tax paid for them by their enterprises, institutions or organizations.

Example. The amount of income tax calculated on the aggregate income of an employee of an enterprise and coming to Rbs500 was remitted towards the budget at the enterprise's expense. Should a tax agency establish this violation, it shall financially penalize the enterprise by collecting Rbs500 from it, with the latter not being entitled to appeal against the penalty to court. The employee's assessable income shall also be increased by the same amount.

36. The amounts of tax that have not been deducted from individuals either fully or partially shall be exacted by enterprises, institutions and organizations on a monthly basis until the debt is repaid completely. The combined amount of deductions from an individual's income may not exceed 50 percent of his monthly income.

Should it be impossible for the source of income to exact from an individual the tax payable on this income, enterprises, institutions and organizations shall be obligated, within one month, to report the amount of the debt to the tax agency in the area, where they are located. The amount shall be exacted by the tax agency with the presentation of a payment notice to the individual. In case of need, the tax authorities may allow the payer, at his written request, to pay the tax by installments or grant him a respite, but for no more than a year, with the payment of interest amounting to 0.5 percent of the time-deposit rate fixed by the RSFSR Savings Bank.

37. Excessive amounts of tax deducted by the source of income shall be taken into account by the latter in future payments or returned to the individual upon his request.

(To be continued)

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The main prize is Nikon-801

At the seminar "Photo journalism in the USA," which took place at Moscow University on September 15, this prize was presented to Andrei Solovyov of the ITAR-TASS news agency for his photo reports on the events in Baku in 1989 and during the August 1991 coup in Moscow.

Several reports, accompanied by a show of startling slides, were also made at the seminar. Mary-Anne Nock told those present about the work of the *Phoenix Gazette* published in Arizona. Ricardo Ferro spoke about the work of reporters at the *St. Petersburg Times*. John White, a Pulitzer Prize laureate and noted Black photographer, who came to Moscow for the second time, showed a series of photographs on the theme of peoples' everyday life. He said that a photograph should come from the heart. Those present listened with keen attention to *Time* picture editor Micheline Stevenson, who spoke about the photo coverage of the Bush and Clinton election campaigns. Vincent Alabiso, director of Associate Press photo service, described how pictures are taken in war zones.

Photo by A. Kudenko

Anatoly Morkovkin and Alexander Lyskin took part in the discussion on the Russian side. Photographs by Soviet participants in the seminar were on display. They were demonstrated at various exhibitions but, unfortunately, did not win any prizes.

The seminar was organized by Gill Dooley, head of the US *Newsday* photo service, and Francis Falwell, his colleague from *USA today*, and sponsored by the Freedom Forum. The magazine *Ekho Planety* (Echo of the Planet) and the TASS photo service took active part in the seminar on the Russian side.

Economic alliance: Scandinavians plus Russians

The discussions related to the creation of an economic zone in the Barents Sea with the participation of Norwegian and Russian foreign ministers, and possibly Sweden and Finland, will take place in Norway in January 1993. According to the Norwegian Foreign Minister Thorwald Stoltenberg, cooperation will focus on road construction, ports, food production, trade, tourism, reequipment of obsolete enterprises, etc.

For example, the Russian concern Norilsk Nickel is already in talks with the Finnish company Outokumpu and Elkem of Norway concerning the renovation of a polluting nickel producing plant in the village of Nickel. The Norwegian and Finnish governments are willing to offer 600 million Norwegian kroner on an easy credit and other commercial credits are hoped for. Finland and Russia are considering a link between the Finnish railway system and the Murmansk railroad.

Stoltenberg believes that the project may be too big for Norway, Russia, Finland and Sweden and, he said, other countries in the region will be welcome to participate.

All like our copper

US, British, Australian and other companies have expressed willingness to participate in an international tender for the right to develop a copper deposit in Udokan, Chita region, Russia.

The deposit, one of the world's biggest, is estimated to have 1 billion. tons of copper ore. The international tender is held by decision of the Russian government, the consultants are the US investment bank Goldman Sachs International Ltd. and the US law firm Cearly Gottlieb. The tender is planned to be awarded this November. If enough funds are mobilized, said the project chief engineer Vladimir Popkov, Udokan may start production in the next ten years.

Gas for Germany

Russian gas supplies meet 30 percent of West Germany's needs for natural gas.

Over the last 20 years West Germany received 200 billion cubic meters of natural gas from Russia, costing around 20 billion US dollars. Board members of leading West German concern Ruhr Gas Rolf Bauer said in an interview that cooperation in this field has good prospects and is profitable for both Russia and West Germany because West Germany buys Russian natural gas at the same prices as in Holland, Denmark and Norway.

Black Sea cooperation

Realization of the principle of a free movement of goods, capital, services and manpower is the chief aim of the association Black Sea Cooperation. It was founded by Russian state and private commercial organizations in January 1992 in support of the Turkish President's plan for establishing a Black Sea region of economic cooperation. The desire to promote free enterprise and mutually advantageous cooperation brought together businessmen from Russia, Ukraine, Moldova, Turkey, Bulgaria, Romania and Greece.

The number of members in the association is steadily increasing, first of all thanks to small and medium firms joining out of interest in gaining access to foreign markets and establishing direct ties with foreign partners. They are given every sort of assistance in various fields, including the purchase of the necessary equipment and goods, the study of commercial projects and different initiatives. But this is not the only technique used for boosting business activity. Business seminars, meetings, exhibitions, fairs, and the training of specialists abroad are organized for Russian and foreign businessmen. Foreign partners are given assistance in the search of opportunities for capital investment, expert analysis, and a detailed study of projects and various proposals, and are provided with exact economic and commercial information, consulting, legal, auditing and other services.

The economic and production programmes carried out by the association envisage multilateral cooperation in various areas: scientific and technical research, the development of transport and communications, an improvement in the transport infrastructure, the output and processing of minerals, the manufacture of building materials, agricultural production, and the tourist industry. There are plans of setting up a Black Sea foreign trade and investment bank to guarantee the fulfilment of these programmes.

The essence of the activity of the association, its main task, is to promote free enterprise. The association is open to any initiative and all those who are interested in the progress and revival of the Black Sea region and who are prepared to take part in the implementation of ambitious projects.

Inflation, vouchers, ruble

HEAD BANKER'S VIEW

Of late, controversy has raged around Russia's Central Bank and its present head, **Victor GERASHCHENKO.** To find out why, we went to the proverbial horse's mouth. There follows what Gerashchenko told reporter **Armen GASPARIAN.**

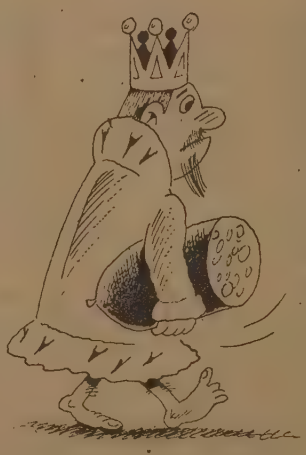
New appointment. Let me note that I've been in the banking business for more than thirty years now, of which twenty-nine were spent with the Foreign Trade Bank. I started off as bookkeeper in the department of experts and eventually became Vice-Chairman. Subsequently, I was appointed Chairman of the USSR State Bank. I spent thirteen years in foreign postings.

Many associate my appointment and incidentally the induction of new ministers in the Gaidar cabinet as symptomatic of some relationships with the military industrial complex (MIC). I could never have such ties even in theory, as over the past four years the Central Bank has not been directly associated with any individual sector of the economy. Heading the government is a team of youthful, clever men under Gaidar, who are theoretically well versed, so I think practice itself showed it was necessary for them to link up with pragmatically-minded people conversant with the guts of the economy.

The role of the Central Bank. The emergence of a system of commercial banks offers the entrepreneur the choice of accepting credit on different terms where more profitable.

Hence instead of being the chief commercial bank as before, the Central Bank must chart a rational monetarian and crediting policy and ensure a countrywide system of clearing accounts as well as the necessary hard cash to effect a normal commodity turnover.

Whom to obey? Regulators are afforded by the bank rate and control over commercial banks and their activity in which circumstances I do not think the Central Bank should be subordinate to the government, even though we know there are definite established Western structures when central banks are subordinate to the government or the finance ministry. Note, though, that there they have definite rules with neither the government nor the finance ministry arm-twisting the central bank.



Drawing by A. Levitin

True, there are opposite cases, when it would appear that though the central bank does not depend on the government, still political interests take over and the bank is obliged to do what it would never do if left to its own resources. An illustration is afforded by the political motives that outweighed the sensible approach of the West German Bundesbank when the GDR's incorporation within the Deutsche Mark zone was so very rapid due to the German government's political resolve.

The structure we have now when our Central Bank is accountable to parliament – note, accountable, not subordinate! – is rational and expedient.

Privatization. Our current trend is for floating stock, a form of property ownership which is extremely well developed in the West.

Yet it must be noted that in the West, the individual is owner of one or another enter-

drop

prise to a most insignificant extent. Generally, the income the American family derives from its capital, be this shares or the interest on savings, ranges between 4 and 6 percent. For the American family, its basic privately held property is its home, whose worth as a rule increases with the passage of time. For most people, real estate represents their basic capital.

In our country, it is thought for some reason that by handing out vouchers to everyone, our economy will at once switch to a new footing.

I think it unfounded to hope that when we come to own stock of a factory or a plant we are employed with, we will be wholeheartedly concerned with its progress.

But we have put our hand to the plough and privatization is under way. The main thing now is for people to not be overly disappointed.

The first question is how to quantify the actual cost of a voucher. In principle it should not be so very much, with the ideal voucher able to pay for stock that is nominally worth more than the voucher as such.

Currently we are setting up under the Central Bank a special structure to see to it that the voucher not become just a scrap of paper. Apparently we will advise and encourage the setting up at commercial banks of special departments which, authorized by their clientele, inclusive of private individuals, will handle vouchers to their advantage. True, again the basic problem is how to rightly price the value of one or another enterprise, which is to float stock for which vouchers will be exchanged.

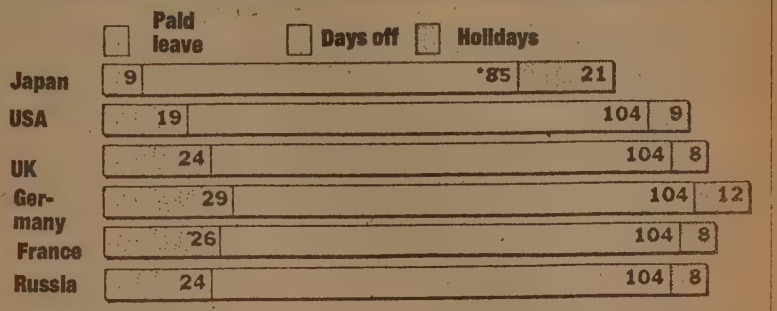
Current is a view nowadays that the price at which one or another enterprise is sold is not important. That whether it corresponds to the real value or not is not important, that it is simply necessary to find an owner who would share all its concerns. It is expected that later, via increased production, profit and taxation, this owner will pay back to the public the unpaid portion. There is a certain logic to that and we should not be afraid that we shall not be able at this present moment to say what one or another enterprise is really worth and approach matters with one common standard, alleging that everything be sold for an ideally high but fair price.

Yet again we must show a certain sense of proportion and observe certain restrictions. The public must be sure that no wholesale trickery occurs, that in the process of privatization our citizens will be able to try their hand at business. The important thing is not to create conditions whereby foreign investors, profiting by the ruble's low rate of exchange, would snap up industries, which are basic to the country and which are hard currency earners.

Inflation. Inflationary processes are largely tied up with the drastic decline in production. During the initial stage of reform, the government took what I think were several correct and adequately tough measures. The main thing now, as I see it, is

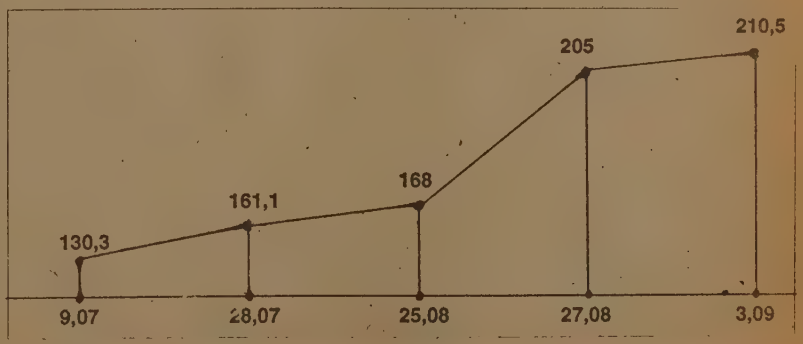
LEISURE TIME

Number of non-working days for office employees in different countries per annum



* inclusive of Japan's generally accepted practice of working alternate Saturdays

Curve indicating changing US dollar rate of exchange as from July 1992 in trading on the Moscow Inter-Bank Hard Currency Stock Exchange
(rubles per $US)



to check the decline in production by market economy methods and now and again by administrative measures.

Precisely to take these hurdles we drafted the notorious clearings circular, that sparked off such controversy. Its purpose is to help enterprises that are manufacturing profitable items and pursuing a sensible economic policy to keep afloat. That they are not able to pay their way is often not their fault, but the result of our transition from the administrative command system to a free market economy.

Declining ruble rate of exchange. As this is a sufficiently spontaneous process, the Central Bank is far from always able to effectively influence it. To a great extent the present ruble drop is due to expected impending liberalization of fuel prices this autumn. However, I believe that what is mainly behind this are the meagre amounts of hard currency available for free stock-exchange trading. Quite likely that till recently the Central Bank did not act very rationally.

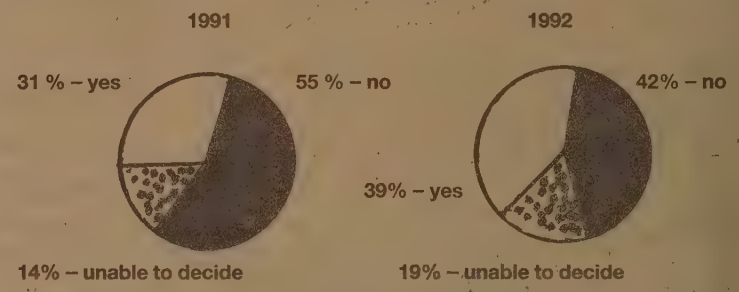
However, let me note that the solution here lies with legislators, not with us. While we lack a law on hard currency regulation and normal banking control of hard currency operations, the situation in this respect will be impossible to control and even predict. Some experts claim that a goodly portion of the hard currency earned via export remains abroad and does not flow back into Russia. Still I think the Central Bank's policy will largely facilitate financial stabilization. At any rate, we will do all we can.

SOCIOLOGICAL SURVEY

Prof. Boris Grushin's Vox Populi poll

State-owned or private-owned?

Do you agree that the government should allow the ordinary citizens to own a large enterprise and employ 200 and more workers?



The results obtained by VP's systematic surveys warrant the conclusion that for a large proportion of Russians the problems of a market economy and market relationships are still out of reach. Only a third interviewed (29 percent) have a more or less correct idea, while roughly the same proportion (31 percent) are convinced that a market free economy offers "unlimited opportunities for dexterous enterprising folk to become rich at the expense of others."

Nevertheless, despite all complications, market relationships are gradually acquiring an increasingly broader social basis which more specifically is indicated by the increasing number of advocates of private ownership, including owners capable of employing any number of workers. More often than not it is the younger and better educated segment who welcome the emergence of big Russian owners, while against are mostly the elderly and less educated. The social basis for private ownership is particularly high in Moscow and Chelyabinsk region (66 and 65 percent respectively), whereas it is most energetically opposed in Daghestan and Kaluga region (70 and 69 percent respectively).

(Russia-wide polls for 1991 and 1992 in percentage to the total interviewed.)

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Backstage events of the "six-day war"

At dawn on June 5, 1967, Israeli fighters bombed airbases in Egypt and Syria, destroying nearly all military aircraft in these Arab countries. Then followed an attack by Israeli troops who occupied strategically key positions – the Sinai Peninsula in the south, the Golan Heights in the north and the Western Bank of the Jordan River in the east.

Unclassified documents testify: political blunders made in Arab capitals were not the only cause for the defeat of Arab armies in 1967 – Moscow is to blame as well

A fully predictable "aggression"

The Soviet Union immediately described the Israeli action as outright aggression and broke diplomatic relations with this country. Western governments and public gave a different assessment to these events, and the word "aggression" was absent from the famous UN Resolution No. 242 expounding the principles for a Middle East settlement. Why? The most renowned experts in international law believe that the June 5 events were only a response to a chain of anti-Israeli actions by Arab countries. In particular, on May 19, the UN troops which supervised the truce at the Israeli-Egyptian front were withdrawn at President Nasser's insistant appeal, which was regarded as preparation for an Egyptian invasion of Israel. On May 23, Nasser declared a sea blocade of Israel which received up to 80 percent of all its imported oil and other vitally important products by sea.

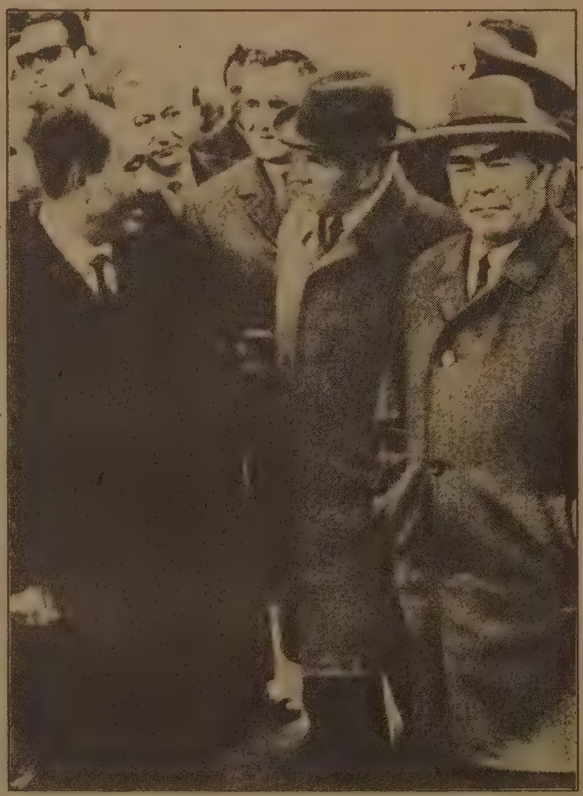
Today neither Egyptian politicians nor serious Arab journalists use terms like the "Israeli aggression" or a "conspiracy by world imperialism against the freedom-loving Arab peoples" when talking about the events of those years.

Emotions and short-lived political schemes give way to serious analysis of the past. "The Arab mass media contributed to the defeat, publishing falsified information and underrating Israeli military might," said Egyptian ex-Minister of Information Ahmed Kamal Abu-el-Magd. He also said that "the Egyptians, especially the intelligentsia, realized the fact that their political leadership had made a mistake" (quoted from the newspaper *Al-Ahram*).

New documents becoming available now make it possible to affirm that the "mistake" of the Egyptian leadership was made not only in Cairo, but also in Moscow.

As is known the confrontation between the communist bloc and the West had reached its peak by that time and shifted to the Middle East after a relatively stable period. Moscow saw its strategic interests in the intensification of political and military support for radical, so-called anti-imperialist, regimes in Arab countries as a counterbalance to Israel and those moderate Arab states which could be supposed to follow a course dictated by the USA.

Moscow's policy of support for radicals in this region promised, above all, considerable economic profit – it opened a reliable and stable channel for the sale of Soviet arms. In a word, any form of crisis in the Middle East was very useful to the Kremlin.



Anwar Sadat in Moscow. Brezhnev, Kosygin and Gromyko needed Egypt as a stronghold in the Middle East

Marshal Grechko needs a base

The June 1967 explosion in the Middle East was taken notice of by all; but the quiet change in the Kremlin, which soon preceded it, almost by no one. Later analysts established that it was precisely then that Khrushev's "peaceful thaw," still influencing Brezhnev's foreign policy, came to an end. The new foreign policy (especially in critical situations) was largely formulated not by the Foreign Ministry and the CPSU CC, but by the General Headquarters and the CPSU CC, with only the formal informing of the Foreign Ministry *post factum*.

As a result of this regrouping of forces in the Kremlin's top echelon of power, the most belligerent wing of the military industrial complex and Party nomenclatura availed themselves of the right to

Soviet rockets in Egypt. The conflict between Arab countries and Israel opened a reliable and stable channel for the sales of Soviet arms .

General Moshe Dayan surrounded by his officers. The Israel's victory in the "six-day war" was a bitter humiliation to Arab countries

have final say in domestic and foreign policy. Eyewitnesses say that Andrei Gromyko himself, the then Minister of Foreign Affairs, admitted in his narrow circle of insiders that the rupture in diplomatic relations with Israel was "a bone thrown to the die-hards so that they would stop demanding a further escalation in the crisis."

However, the die-hards had their own interest in the Arab world, their own claims on its leaders and means of influencing its policy.

In 1967 one of the objects of special interest for Soviet hawks was Port Said. The unique military and strategic importance of this Egyptian sea port situation on the Mediterranean coast near the very entrance to the Suez Canal is universally recognized.

Friendly relations between the USSR and Egypt noticeably cooled on the eve of the 1967 crisis due to insistent efforts of the Soviet military to take the Port Said area under its control, actually turning it into a Soviet military base. M.U.Kamdel who took part in Soviet-Egyptian negotiations at the time says that during the December 1966 negotiations in Moscow on sending grain to Egypt (refused by the USA), the Kremlin began to insist on granting a special status and privileges for ships of the Soviet Navy in Port Said.

Port Said became a "trump card" of Soviet Defence Minister Marshal Grechko. His Egyptian colleague Marshal Amer was ready to allow Soviet ships to dock at this port, he was ready to supply their crews with foodstuffs and refuel the ships. But the appetites of Soviet generals were much bigger, they wanted to make Port Said a base from which they could carry out strategic surveilance in the region. Our generals promised to share the results of surveilance with Egyptians.

"Marshal Amer was utterly indignant on his return from Moscow," says M.Kamdel. The failure of the negotiations resulted in delays in the fulfilling by the Soviet side of its promises to supply arms to Egypt and in a reduction of grain supplies. What's more, the Kremlin intensified its attempts to convince the Egyptian leaders that the situation in the Middle East was much more hazardous than was believed in Cairo and that the country had better hide out under the Soviet defence umbrella.

The "pajamas diplomacy"

Active preparations for military operations started in Egypt in the middle of May after the Egyptian delegation headed by Chairman of Parliament Anwar Sadat had visited Moscow on May 13 en route from North Korea. A brief meeting with Nikolai Podgorny, Chairman of the Presidium of the USSR Supreme Soviet, was devoted to the situation in the Middle East. Eyewitnesses say that it was then that Podgorny confided to President Nasser "information of special importance" via Sadat. He claimed, referring to Soviet intelligence, that Israel concentrated troops on its border with Syria, intending to attack it in the period from May 18 to 28.

Historians believe that this "friendly warning" by Soviet leaders played the decisive role in the escalation of the Arab-Israeli confrontation to the crisis level. This was immediately followed not only by large-scale military preparations in Egypt, but also by concrete actions regarded by Israel as a threat to its national interests: concentration of Eyptian troops in the Sinai Region, the blockading of the Gulf of Aqaba and the demand to withdraw UN troops. All these actions were supported by Soviet leaders.

Did the Kremlin leaders want war? As a rule, analysts can't give a clear answer to this question today, believing that the Soviet position was "rather strange and ambiguous." According to an Israeli political scientist Moshe Zak, the Kremlin wasn't planning to provoke a war at that time; it

was rather a political manoeuvre aimed at intensifying the Soviet military presence in the region.

The famous night visits of Soviet ambassadors to Tel-Aviv and Cairo to the Israeli and Egyptian leaders are evidently to be assessed from this point of view. In the first case the ambassador woke up Prime Minister Levi Eshkol and handed him a massage from Alexei Kosygin who supported the Egyptian blockade of Israeli ports and called on Israel to fulfil Nasser's demand to provide for the return of Palestinian refugees to their places of residence prior to the 1956 war.

The night visit of the Soviet Ambassador to Cairo to Nasser was designed to persuade the Egyptian President to reduce the intensity of military preparations and not to provoke a military confrontation with Israel.

The ambassador didn't go to the border

"Moscow didn't intend to provoke a war by its involvement in the crisis in May 1967, the Kremlin leaders didn't expect Israel to fight" writes Moshe Zak in *The Jerusalem Post*. What were the motives then? Today it's easier to find an answer to this question – all political scientists agree that it was the consequence of the "besieged fortress" syndrom inherent to the elderly Kremlin rulers. In those days it found its expression in the conviction that "international imperialism" was weaving a web of devilish conspiracy against the "stronghold of socialism" in that region, trying to overthrow "progressive Arab regimes" in Syria and Egypt.

The strengthening of the Israeli air defence on the Syrian border after 6 Syrian fighters had been downed there on April 7 were described by the Soviet Intelligence as a "concentration of Israeli offensive forces." A political decision concerning countering "the Israeli aggression" was made and, as *The Jerusalem Post* writes, "the attempts of the Israeli government to invite the Soviet Ambassador to visit the area on the Syrian border in order to see for himself that there was no Israeli buildup there were futile. The Ambassador was unable to change the opinion which had been formed in Moscow."

It's common knowledge what the Middle East policy of the USSR was like after the "six-day war." Soviet arms supplies did strengthen "revolutionary Arab regimes," but their leaders more often than not didn't consult Moscow with regard to their intentions, presenting the Kremlin with a *fait accompli* and forcing it to defend and justify actions by a "friendly Arab country" in any situation. In all likelihood, Saddam Hussein counted precisely on this mechanism of automatic support, when he sent Iraqi troops into Kuwait in the August of 1990.

The mobilizing of "Brezhnev's fist" in the direction of the Middle East immediately affected the situation inside the USSR, because it meant there were now two new external enemies – Israel, as an "agent of world imperialism," and international Zionism. As a result of an overtly anti-Semitic policy, three and a half million Soviet Jews gradually began to be regarded by the broad masses as the "fifth column" of international imperialism. Common anti-Semitism became official, and the world community began reacting to it. In particular, the US Congress adopted the Jackson-Vanik amendment early in the 1980s which imposed restrictions on trade with the USSR.

The materials published by the Cairo press testify to the fact that as early as in Nasser's times the Egyptian leadership realized that the policy of one-sided reliance on Moscow had no future, because it meant confrontation and war. Shortly before his death Nasser gave his consent to participate in negotiations with Israel under the aegis of American Secretary of State Rogers. But Brezhnev objected, and the talks were wrecked. Only several years later, under Anwar Sadat, US mediating efforts made it possible to sign the Israeli-Egyptian peace treaty. The opposition by Moscow to the talks and the signing of the treaty resulted in a rupture of relations between the USSR and Egypt and the expulsion of Soviet diplomats from Cairo.

A high-ranking Russian military delegation which recently visited Israel admitted that, as *The Jerusalem Post* formulates it, the Kremlin policy of that time was based on "wrong information." Incidentally, the delegation also admits that the same circumstance was at the basis of Moscow's Afghan adventure – in fact, in the late 1970s the USA had no intention to deploy missiles in Afghanistan aimed at the USSR.

Alexander Shumilin

CAIRO

Photos from Der Spiegel (Germany)

One cubic metre

How the Party, Komsomol members and trade union leaders helped the Kabul regime with money which was not theirs

Only insiders could grasp the meaning of the scene which could be observed in the garage on the premises of the Soviet embassy in Kabul on one of the, as usual, sunny December days of 1988: a small group of "diplomats from Moscow" was handing over to an equally small group of Afghans, no more nor less than 15 million afghanis just received in cash from the Afghanistan Bank. It was about one cubic metre of banknotes put on the floor in a garage box. The Afghans who were staff of the Managerian Department of the Popular Democratic Party of the Afghanistan Central Committee packed the money in bags, loaded them in a mini-bus and took off to the Central Committee.

By December 1989, 744 million afghanis were turned over to the "Afghan friends" in the garage of the embassy in five rounds, which was equivalnt to 9,4 million exchange rubles or over 14 million of the so-called clearing dollars according to the then exchange rate. Thus was carried out the CPSU CC resolution on extending financial aid to the PDPA "to facilitate its transition to a self-financing regime."

The same resolution provided for supplying 6 million exchange rubles worth of various commodities and equipment for the PDPA. On June 4, 1989, the CPSU CC Managerial Department and the All-Union Foreign Trade Association Machinoexport signed letter No. 5104910800 concerning the supplies of the above-mentioned equipment. Such supplies had been carried out earlier too, and always secretly. Representatives of the CPSU CC Managerial and International Departments more than once visited Afghanistan to study "the needs of the PDPA for financial aid."

However, the CPSU expenses on the PDPA whose budget was 988 million afghanis in 1987, was not limited to financial injections alone.

The Institute of Social Sciences was built

# of afghanis in the ambassadorial garage

for the PDPA in Kabul at the expense of the CPSU CC; it included a complex of administrative buildings and apartment houses with a conference hall, a sports ground, hostels, a boiler house and other services. Several dozen Soviet instructors and interpreters worked in the Institute, again paid by the CPSU CC. On the eve of the withdrawal of Soviet troops from Afghanistan, the PDPA leadership, realizing that it wouldn't be easy to retain the Institute as party property, tried to sell it to the state for 1,800 billion afghanis, but the bargain failed due to opposition, non-party officials, rather numerous in the state apparat by that time. After the April revolution, the so-called "group of the CPSU CC Advisers attached to the PDPA CC" was active in the PDPA. It numbered 122 party advisers and interpreters in early 1987.

Invitations to the USSR of numerous "guests of the CPSU CC from Afghanistan" were paid from the CPSU budget. The guests included members of party delegations, diseased and ostensibly diseased Afghan party bosses, as well as people from their entourage and simply "party tourists." Early in the 1980s, the number of these "planned visitors" reached over a thousand people a year to be "reduced" subsequently to several hundred.

In Moscow, they were usually accommodated in the present Presidential Hotel, and in other cities – in closed party hotels. They received medical treatment in treatment centres of the Fourth Directorate and rested in the country's best health resorts. A large group of the "PDPA activists" studied at the Institute of Social Sciences of the CPSU CC in Moscow or in party training centres in other cities of the USSR. An entire complex of buildings was constructed for them in the Tashkent Communist Party School.

The printing house Goznak twice gratuitously printed PDPA party membership cards, thus far not completely distributed. Souvenir sets made up of briefcases (so dear to Soviet partymen), notebooks, pens and badges were manufactured for the incessant party conferences and big and little Jirghas. Large amounts of money were spent by the CPSU CC on personal birthday presents for PDPA General Secretaries.

There was a special room in the CPSU CC Managerial Department to store not infrequently unique items selected from statedepositories as such presents. Massive Kubachi trays and silver cups are far from the most expensive among them. There were also other valuable works of art there, including paintings by the best Soviet artists. To avoid "repetition in presents," the Managerial Department kept records of donations handed to each General Secretary of the "fraternal party."

On the CPSU CC orders, money was transferred to a trade company created by the PDPA. A similar practice had also existed earlier. As early as the 1930s, Stalin's emissaries used to "feed up" Afghan merchants they happened to like with fashionable consumer goods. The number of such "Afghan Hummers and Maxwells" considerably increased during the year of the PDPA rule. Some of them preferred to leave Afghanistan after the mujaheddin came to power.

Many "public" organizations in the USSR were involved in aiding the "Afghan friends." Thus, Soviet Young Communists also creatred a group of their own in Afghanistan which consisted of 41 advisers and 39 interpreters.

One can't avoid mentioning "brotherly help" by Soviet trade unions. Having arrived in Afghanistan in mid-December of 1987, Secretary of the All-Union Central Council of Trade Unions Gennady Yanayev handed $7,000 to the leaders of the Afghan trade unions... Some other communist countries also "helped the PDPA": they accepted its representatives for party training, rest and medical treatment. Communists of the former GDR gratuitously built the party printing house in Kabul, which performed excellently – by the middle of 1985 over 4 million copies of party newspapers had accumulated in various deposits in Afghanistan....

Yuri Andropov and Babraq Karmal. The KGB did not spare anything for the Afghan brethren either

Oleg Antonov

The Kalinin District Department of the Interior in Moscow has failed to prove the case against **Victor Mishin,** former first secretary of the Young Communist League and former First Deputy Head of the Department Administration and Management of the Party's Central Committee. Mishin, 49, has had ups and downs in his life. He was proposed for the post of first secretary by Andropov, while Ligachev wanted to remove him from this post. Mishin had perhaps the worst days in his life when he was accused of illegally keeping firearms under Article 218 of the Russian Federation's criminal code, which carries an imprisonment of up to five years. An old, unregistered "arquebus" was found during a search in his flat. Many years ago Victor received it as a gift from the Afghan youth leader.

Several years have passed since the "friendship" between Afghanistan and the Soviet Union broke up, and all these years the antique rifle has hung on the wall. Mishin says that as a disciplined citizen, he tried to get the rifle registered some time ago, but was told by the police that it was not a rifle but "a stick with a hole in it."

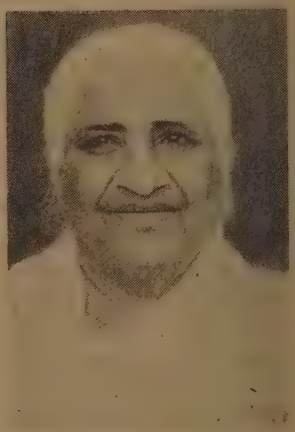
Troubles began right after the abortive August 1991 coup. Since the end of autumn, Victor has been regularly invited to the prosecutor's office of the Russian Federation. Investigators wanted to know where the "party's gold" was hidden.

Mishin said in an interview that right after the ban on the Communist Party had been issued, he invited *Komsomolskaya Pravda* and *TV News* reporters and told them about the party's financial deposits. This statement was done "much earlier than the sensational finds by the Interior Ministry of Russia."

Failing to hear from Mishin what they would consider "a frank confession," the investigators took up the case of the unregistered rifle. The "case of the arquebus" was turned over to the Kalinin District Department of the Interior in Moscow.

It is certainly necessary to find out how the flow of arms has been crossing the Soviet-Afghan border for nine years, first in one and then in the opposite direction. But should such an investigation be started with the "arquebus" presented by the Afghan youth leader as a gift to the leader of the Soviet Young Communist League?

■■■



"Who am I and what am I like? What is the purpose of my life on earth? **Dadi Prokashmani,** president of the Brahma Kumaris World Spiritual University, came to Moscow to help give answers to these age-long questions.

"Prokashmani" is translated as the value of light, and "Dadi" means granny. According to her disciples, Dadi Prokashmani is "a unique personality, the incarnation of deep spiritual life, mercy, purity, divinity and self-respect."

The World Spiritual University

General turns analyst

Former deputy defence minister, airborne troop general **Vladislav Achalov,** a man who was actively involved in last year's abortive coup, was recently appointed by Ruslan Khasbulatov head of the parliamentary committee for studying and prognosticating developments in various regions of the Russian Federation.

In its investigation of the coup attempt the Russian procurator's office revealed that Gen. Achalov had been directly involved in the coup. On August 17, 1991, the general attended a meeting of what was later called "the State Committee for the State of Emergency," when it passed a decision on seizing power in the country. The general spent the night of August 18 in the Kremlin together with Marshal Yazov "making final preparations" and August 20 preparing for the attack against the Russian White House.

The general was never imprisoned, unlike other active participants in the coup, for he enjoyed immunity as a Russain MP. Despite the evidence submitted by the procurator's office, fellow MPs voted against instituting criminal proceedings against Achalov.

In recent months Achalov was seldom seen in public. It was rumored that he was seriously ill and in the hospital.

Though ill health prevents him from answering for his involvement in the attempted coup, it does not seem a hindrance in accepting a new post. One wonders though what kind of forecasts and recommendations the Speaker expects from this general.

led by Dadi is a non-governmental organization. It has been granted many awards for activity aimed at achieving world brotherhood and universal peace. The university has set up 2,000 centres in 65 countries. In Russia, its branches were opened in 1989.

Having devoted herself to raja-yoga and meditation, and spent 14 years in complete solitude, Dadi alleges that she has been able to know herself. Since then she has helped other people do the same, inducing them to know the universal truth of man.

■■■

The new independent television company ARTV (Authors' Russian Television) offers its viewers various interesting facts, completely bypassing politics. This is unexpected and strange today and perhaps can only be explained by the fact that the company is led by a woman.

Rimma Altukhova, president of the ARTV, is against a traditional

way of presenting TV news. The desire to create a programme intended primarily for people who are tired of political intrigues and economic problems, but are looking for informative shows and simply leisure, impelled Rimma to leave the *Good evening, Moscow* programme and to start her own.

The new programme appeared in the "dead" fourth channel and quickly won viewers. It is accessible to them and helps them find answers to the questions posed by our present-day tangled life.

■■■

"When you approach Krasnoyarsk, it seems you descend into a different world," Russian writer Anton Chekhov wrote to his relatives as he was travelling in a carriage to Sakhalin. This "different world" has been brought to Moscow and put on display in the halls of the Central Artists' House by Krasnoyarsk artist **Nikolai Rybakov.** At the Golden Brush

Competition, held this year, he received the highest award.

Rybakov was born 45 years ago in the Trans-Baikal region. His father was a worker and his mother a peasant. "I have lost my genealogy," the artist says. "I do not know my grandparents, and this oppresses and torments me, this memory gap and the loss of roots give me no peace. My canvases look backwards. They are an attempt to connect the ruptured parts and find the roots." Perhaps this explains why the artist is drawn to ancient settlements in the Trans-Baikal region, Khakassia, Tuva, Taimyr and the Evenk area. Such canvases of Rybakov as *A relic, The blind in Kunkan, A yellow horse-woman, A nestling of a blue bird, A fish holiday, A settlement* (triptych), and *The wind on sun* strike visitors by their explosion of paint.

"An adventurer with a literary bias"

Ahto Levi, an Estonian writer, is known in the literary world as "an unidentified flying object." His *Notes of a Grey Wolf* hit the headlines at the time. But the writer does not like to talk much about himself and his work. His contacts with the outside world have been reduced to the minimum. Ahto lives like a hermit, and this is good for his literary work.

Levi received a sound physical training and moral education by working at a timber felling site in Siberia. He spent nearly 15 years in prison and camps.

In his childhood Ahto dreamed of travelling to Africa and other parts of the world and crossing the Alps. In 1944, then a 13-year-old boy, he went away in search of adventures. Contrary to his hopes, Germany, where he ended up, did not become the first stage of his "great tour," but merely opened a road of misfortunes. After a long ordeal, Ahto managed to return home three years later. In Estonia, the boy was caught by an "extermination battalion" of the NKVD. He was charged with several thefts and sent to a corrective labour camp for six years.

Ahto fled twice, but was caught, returned to the "zone," beaten and his term of imprisonment was prolonged. In 1963 he was set free. He earned a living by working at a flour mill, worked with geological teams in the Carpathians and the Crimea, and worked as a fishman in Sakhalin.

At present Ahto Levi lives in Moscow. When he feels out of place in the capital, he goes to Estonia. Ahto began to write stories long ago, obeying the subconscious aim of making oneself free. He wanted "to be free, at least on paper, when physically he was losing freedom increasingly and in various ways." In his opinion, freedom is more important than any other value.

Ahto Levi regards his literary occupation with some humour. "I'm not a writer, I'm an adventurer with a literary bias," he says. Nevertheless, his new book, about big underworld bosses, is to be put out soon. The competence of the author is beyond doubt.

A festival worthy of its name

Prof. Leonid GOLDIN, one of the organizers of the Sakharov Art Festival in Nizhny Novgorod, shares his thoughts on the event

Recent events in Russia give little reason for rejoicing. The economic and political situation along with relations between nationalities are critical. In cultural life there is decline, we are frequently informed about which of our musicians, artists or scholars has left or is about to leave the country. Strange as it is, the wide stream carrying away the brains and talents from Russia is unable to exhaust the country's creative potential.

Inexhaustible are the reserves of Russian culture. The places of accomplished culture figures who leave Russia are quickly taken by new people, and even those who have settled in new climes willingly and frequently revisit their motherland and invite their foreign colleagues, in spite of the absence of the slightest material incentive and the present rampant chaos and irresponsibility which awaits them.

For all its troubles and problems, Russia still lives a vivid and full-fledged cultural life. This has been convincingly demonstrated by the just concluded art festival, Russian Art and the World, dedicated to Andrei Sakharov, in Nizhny Novgorod.

The festival was conceived as an art festival embracing music, painting and literary genres, complemented by lively discussions, including reflections about Russia's past, present and future and her relations with the rest of the world. The organizers obviously intended to demonstrate Russia's unfading beauty and spiritual strength, a constant regardless of political weather and historical cataclysms. Such a brand of patriotism isn't the venom-filled stuff we are used to because it doesn't humiliate anyone and doesn't counterpose the grandeur of Russian culture with an imagined enemy.

Apart from the creative aspect an event of such stature requires a high level of organization in addition. A lot of money is also needed, which our impoverished treasury can't afford to spend. Such a festival wouldn't be so easy to put on even for a rich Western country. The Sakharov Art Festival in Nizhny Novgorod was a rare occasion when Russians, having planned a big affair, didn't request aid from any foreign country. They managed it themselves, and, in the opinion of all those involved, quite successfully.

...After the August coup, that abortive attempt to restore totalitarianism in Russia, I offered Russia's most popular newspaper *Argumenty i Fakty* (Arguments and Facts) the idea of arranging a global action in support of the liberation and moral revival of the country. The action was to be carried out by cultural figures whose creative life was connected with Russia. At about the same time, similar ideas were expressed by the art director of the world-famous Borodin Quartet Valentin Berlinsky, and the director of the Nizhny Novgorod Philharmonic Society Olga Tomina. The idea was enthusiastically supported by Mstislav Rostropovich: "I'm happy because an International Festival will be devoted to Andrei Sakharov, the greatest man and citizen of our times, because this will occur in Nizhny Novgorod, the city historically connected with Academician Sakharov's name... The bitter period in the history of this glorious city, which was 'closed' not only to foreigners, but also to world culture, is, hopefully, ended."

Our intentions were brought together by President of GOSKO Vladimir Panchenko. Today thousands of impressarios are in the Russian art business market. This world's largest concert association founded by the Bolshoi and Mariinsky theatres and the outstanding musicians Mstislav Rostropovich, Svyatoslav Richter, Yuri Bashmet, Natalia Gutman, Eliso Virsaladze, Pavel Kogan, Vladimir Fedoseyev and Alexander Lazarev remains actually the only reliable partner for both artists with world repute and the audience which trusts the GOSKO posters.

Isaak Stern: "I wish the Sakharov Festival full success, I am certain that it will be a force for the promotion of cultural progress and respect for human rights throughout the world."
Photo by A. Ratnikov

Vladimir Panchenko assumed the major bulk of organizational work. Money from sponsors came only the day before the opening of the festival, meaning that the president of GOSKO unhesitantly gave his relentless creditors all his cars, including respectable Tatras and Volvos with phones, in which the stars of La Scala and Opéra travelled around Moscow, as security.

Nowadays economic circumstances require no less work than creative plans – so many brilliant ideas remain unrealized because of the lack of money. The project provided for not only concerts in Nizhny Novgorod, but also for TV appearances by the greatest contemporary artistes.

We requested Isaak Stern, whose genius as a musician as well as great personal authority as a humanitarian activist enjoys worldwide recognition, to take part in a TV show. The great musician agreed at once, and I visited him in New York for an interview. By that time Russian Television had no cameraman in the USA because of its utter poverty, but when I arrived at the maestro's studio, all relevant people invited by him were already there... The speech made by Stern (he spoke Russian), as he gave his blessings to the festival, appealed to intellect and lofty humanism, demanding respect for human rights and creative freedom, and was heard by millions of people in various countries. The maestro spoke not only about eternal art but also about controversies in the contemporary world, and it was that rare occasion when political opinion was as readily trusted as revelations by Bach and Shostakovich.

The exquisite musical programme of the festival included works by Rimsky-Korsakov, Taneyev, Tchaikovsky, Mozart, Rakhmaninoff, Vivaldi, Haydn, Debussy, Prokofyev, Shostakovich, Kancheli, and Russian church music.

Outstanding musicians arrived in Nizhny Novgorod: Yuri Bashmet, Natalia Gutman, Eliso Virsaladze, Dora Schwarzberg (Austria), Vladimir Viardot (USA), Walter Danehunt (Canada), Valery Afanasyev (France), the Borodin Quartet, the Moscow Piano Trio, the Fine Arts Quartet (USA), Moscow Chamber Chorus led by Vladimir Minin, the Lithuanian Chamber Orchestra led by Saulius Sondeckis, and such prominent actors as Alexei Batalov, Sergei Yursky, Julian Panich, Alexander Poznansky.

The festival included an exhibition of works by well-known contemporary painters Anatoly Zverev, Ilya Kabakov, Vyacheslav Kalinin, Ernst Neizvestny, Vladimir Nemukhin, Oscar Rabin, Alexander Kharitonov, Mikhail Shemyakin, Vladimir Yakovlev, Boris Sveshnikov and others. It was presented by Alexander Glezer, Director of Modern Russian Art Centres in Paris and New York. Since the 1960s over 300,000 works by Russian painters have left the country, in fact the entire "gold fund" of our painting is now in museums, art galleries and private collections in Europe and America. No surprise that the exhibition aroused as much interest as musical and theatrical programmes. The present made by the Italian artist Corrado Caselunghe, a gold-plate engraving of Andei Sakharov, was accepted with gratitude.

Valery Afanasyev's concerts caused certain complications. He not only demonstrated his brilliant performance as a pianist, he also read his verses and spoke about his novels (there are already seven novels written by him in English and French but so far not translated into Russian). He also appeared in his own theatrical show based on *The Pictures from the Gallery* by Musorgsky. Whereas our former compatriot's musical performance was unanimously admired, his literary and theatrical experiments embarrassed the audience.

Formulating the concept of the festival, its organizers tried to avoid acute political disputes and confrontations, they wanted, albeit for a time, to raise "above politics" and avoid mutual incriminations. A discussion broke out in the Moscow press even prior to the opening of the festival: how should those be treated who had signed collective letters to *Pravda* against Sakharov and who now want, without having repented, to participate in a festival devoted to his memory? It was remembered that Shostakovich was also among them. Thank God, these discussions didn't prevent his Fifth Symphony which marked the culmination of his creative activity from being brilliantly performed in the second part of the concluding show.

There were also more serious apprehensions – some people could start finding out whom Sakharov would support and whom he would shun nowadays and who is most important among his friends and followers. So the organizers spared no effort to explain to those who showed interest in the event that they were concerned only with the ethical and universally human aspect of Sakharov's ideas and not with the opinions of his interpreters.

However, it was impossible to taboo politics. Much was said about the most burning problems of the present day, about Russia's historical destiny and her new place in the world through "round table discussions," press conferences and in interviews. The central figure in these talks was the Radio Libery commentator Julian Panich who for years had familiarized the Soviet radio audience with Sakharov's forbidden articles, statements and events from his life. Strange though it may seem, participants in the Nizhny Novgorod festival managed to avoid the habitual scandalous disputes over "who is to blame," in spite of our hot political atmosphere. Evidently the enlivening and healing power of lofty art can also have a positive political influence.

It must be noted that the connection between Nizhny Novgorod and the concept of the festival is not explained only by the fact that Andrei Sakharov had spent years of exile there. The city has centuries-long cultural traditions. Musical performances held there early this century during the days of the annual Nizhny Novgorod Fair along with trade, industrial and art exhibitions were events of world significance. These concerts gathered the best artistic forces of Russia and Europe, opera and ballet groups from Italy, Moscow and St.Petersburg; Fyodor Shalyapin, Nikolai Figner, Leonid Sobinov, and Leonid Yakovlev more than once participated in them. The Festival of Contemporary Music organized and inspired by Mstislav Rostropovich and the conductor of the Nizhny Novgorod orchestra Izmail Gusman was also born in Nizhny.

Today Nizhny Novgorod has an excellent symphony orchestra conducted by Vladimir Ziva, a chamber chorus, and children's choirs led by Lev Sivukhin and Nikolai Pokrovsky; soloists of the Philharmonic Society enjoy recognition both in Russia and abroad.

An active political scene together with profound political changes add to the city's rich cultural traditions. A very strong team of city leaders has, together with the well-known economist Grigory Yavlinsky, greatly contributed to real economic and social reforms. The events in Nizhny Novgorod where, as a currently popular saying runs, "capitalism in an individual city" is being successfully built, at times attract more attention in the country and abroad than countless declarations by central authorities. The following episode is indicative of current attitudes in Nizhny: the municipal authorities who opened and closed the festival considered the greetings by the Russian President too dull to be read.

Incidentally, an action as grandious as this would have been impossible without very active support by the municipal authorities. Many city organizations extended help on every occasion, the concert halls were filled up, artistes were enthusiastically greeted in the streets. Russia hasn't known a similar arts festival in recent years.

The general sponsor of the festival, President of Soviet-American firm Semiramis-Bank, Vadim Povalyayev, is resolved to render support to the festival which will be held annually during the revived Nizhny Novgorod International Fair.

In all likelihood, the festival will reach beyond Russian borders. Interest in the festival was already observed in Italy, Israel, France, USA and Poland. GOSKO is working in this direction, leaning on the initiative of the First Sakharov Festival. Foreign contributions will also include various art genres under the common motto "The Russian Art and the World."

The Sakharov movement in world culture was often mentioned during talks at the festival. Its essence is clear today: lofty spiritual aspirations, creative freedom, advancement of arts in the interests of humanism, rapprochement and better mutual understanding between peoples.

Prof. Leonid Goldin,
D. Sc. (Philosophy)

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Exorcism by any means at hand

Practical advice for exorcists

Sexual extasy and religious extasy were considered akin by almost all peoples. However, some philosophies believe that sexuality promotes spiritual advancement while others, that it impairs it. Hence different traditions.

The former is well illustrated by the custom which existed in some Hindu temples where live female dancers, priestesses of a god or a goddess symbolized the power of reproduction. These unfortunate, from our point of view, women were to give themselves to whoever wanted them, this, in fact, being their main function. These women enjoyed deserved respect and no one saw anything wrong in their profession – this was the way they served their god.

In medieval Christianity the situation was different. Universal sexual obsession was replaced by asceticism and mortification of the flesh. Penitants appeared on the roads who, beating themselves on the chest and crying "Mea culpa!" (My fault), entered the houses of prostitution.

Willing to demonstrate the victory of spirit over the flesh, they bathed together with naked women and made a number of other curious experiments. Even so, all of them (indeed?) resisted temptation and didn't give in to excitement. However, the historian Freimark notes caustically that, before accomplishing these "exploits," the anchorets, as a rule, had lived rather active sex lives and it's impossible to establish whether they were at all able to display their masculinity. In his opinion, in such a case all their efforts were no more than an attempt to deceive God.

Christianity invented its own means for fighting the devil – the Holy Cross and prayer. As for the people who had to daily resist witches and the evil one, they also had at their disposal some simple and effective methods of protection against evil spirits.

Certainly, these methods are not always recommendable to a fresher in fighting demons, yet it's always useful to know about them.

The most effective and cheap method is to use means which are always "at hand," i.e., the display of sexual organs and the "sirloin parts." This makes evil spirits run away in a twinkling of an eye. Evidently, nowadays there are too many demons around, the current upsurge of pornography can be explained as the harmless subconscious desire to dispel them.

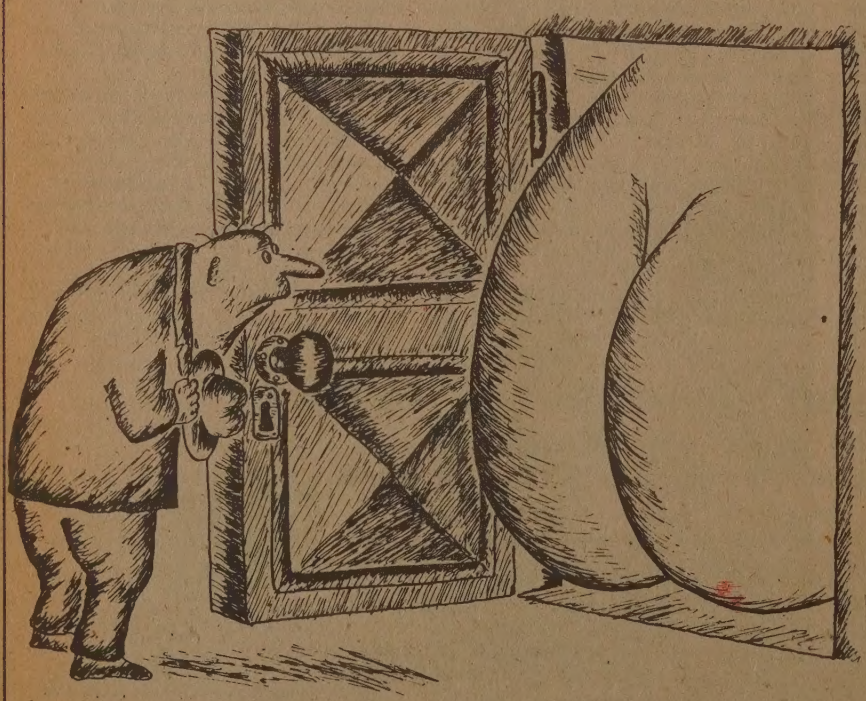
Legend has it, this is what Martin Luther did once when the evil one tortured him especially severely throughout the night. Wishing to drive away the devil, he showed him his back part. Combined with holy prayer, this means so impressed the demon that the latter shamefully retreated.

The enraged devil reacted to this outrage by the worship ceremony at the sabbath when all witches and sorcerers kiss him under his tail and thus rehabilitate his wounded honour.

If for some reason the devil's victim rejects this solution to the problem, he is recommended to draw the corresponding picture on the door of his house.

Giving the fig is also believed to be a strong enough means in some European countries. This wards off the evil eye, disease and other evil omens. It's only necessary to be unmistakably certain at whom to give the fig to avoid such misfortunes compared to which all witchcraft seems like child's play. But if addressed to the proper fellow, the most wicked sorcerer retreats in horror before this symbolic image of the joint masculine and feminine sexual principles.

Of course, sexuality and witchcraft are interrelated. One is manifested in the other, and perhaps that's why it's sometimes so puzzling to find out where the one ends and the other begins.



Drawing by Marat Tairov

Alexei Vinokurov

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